



AGENDA

BOARD OF TRUSTEES MEETING

Friday, April 18, 2008, 1:00 p.m.
Hilton Salt Lake City Center, **Granite Boardroom**
255 South West Temple, Salt Lake City, UT

12:00 Lunch at **Trofi**, Hilton Salt Lake City Center

1:00 Call to Order and Introduction of Guests

Lynn Lemon

ITEM ACTION

1	Accept Board Resignation of Law Enforcement Committee Chair	Lynn Lemon
2	Excuse Board Members Absent	Lynn Lemon
3	Approval of February 14, 2008 Meeting Minutes	Lynn Lemon
4	Presentation of Actuarial Reserve Analysis	Lisa Dennison
5	Presentation of Independent Audit 2007	Geri Douglas
6	Audit Committee Report	Steve Wall
7	Building Committee Report	Steve White
8	Approve Amended Joint Policy Statements	Johnnie Miller
9	Approve Resolution to Appoint Representative to County Reinsurance, Limited	Lynn Lemon
10	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Lynn Lemon
11	Action on Personnel Matters	Lynn Lemon
12	Set Date and Time for Closed Meeting to Discuss the Pending or Reasonably Imminent Litigation	Lynn Lemon
13	Action on Litigation Matters	Kent Sundberg
14	Set Date and Time for Closed Meeting to Discuss the Purchase, Exchange, or Lease of Real Property	Lynn Lemon
15	Action on Real Property Matters	Lynn Lemon
16	Ratification and Approval of Payments and Credit Card Transactions	Steve Wall

INFORMATION

17	Review First Quarter Unaudited Financial Statements	Sonya White
18	Review Recommendation of Benefits Committee	Anne Ayrton
19	Loss Control Manager's Report	Mark Brady
20	Chief Executive Officer's Report	Johnnie Miller
21	Other Business	Lynn Lemon

AFFIDAVIT OF LYNN LEMON

STATE OF UTAH)
 :ss
COUNTY OF SALT LAKE)

Lynn Lemon, being duly sworn upon oath, deposes and says:

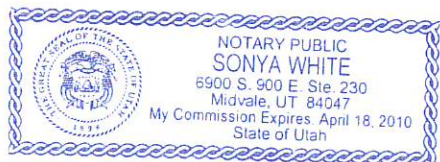
1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or about the 18 day of April, 2008, presided over a meeting of the Utah Counties Insurance Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.
3. That a quorum of the Utah Counties Insurance Pool Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

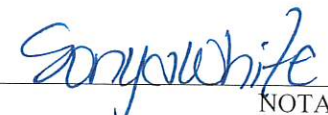
FURTHER, Affiant saith not.

DATED this 18 day of April, 2008.


LYNN LEMON, President
Utah Counties Insurance Pool

On the 18 day of April 2008, personally appeared before me Lynn Lemon, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.




NOTARY PUBLIC
Residing at: Midvale, UT
My Commission Expires: April 18, 2010



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

BOARD OF TRUSTEES MEETING

MINUTES

April 18, 2008, 12:00 p.m.
Hilton Hotel, Salt Lake City, UT

BOARD MEMBERS PRESENT

Lynn Lemon, *President*, Cache County Executive
Kay Blackwell, *Vice President*, Piute County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor
Bruce Adams, San Juan County Commissioner
Ken Bischoff, Weber County Commissioner
Brad Dee, Weber County Human Resources Director
Jim Eardley, Washington County Commissioner
Jerry Hess, Davis County Deputy Attorney
Karla Johnson, Kane County Clerk-Auditor
Wayne Smith, Iron County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Steve White, Utah County Commissioner

OTHERS PRESENT

Johnnie Miller, Chief Executive Officer
Sonya White, Manager of Administration
Anne Ayrton, Benefits Specialist
Lisa Dennison, By the Numbers Actuarial Consultants
Geri Douglas, Larson & Company, PC
Diane Nesbit, Larson & Company, PC

Call to Order

Following lunch, Lynn Lemon called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 1:00 p.m. on April 18, 2008, introduced guests and welcomed attendees.

Accept Board Resignation of Law Enforcement Committee Chair

Lynn Lemon reported that Sheriff Jim Nyland, Grand County, has emailed his resignation from the UCIP Board of Trustees effective April 9, 2008. The reason for Sheriff Nyland's resignation is that other commitments will interfere with his attendance at future Board meetings. Steve Wall made a motion to accept the resignation of Jim Nyland from the Board of Trustees as the Chair of the Law Enforcement Committee. Wayne Smith seconded the motion, which passed unanimously. Kay Blackwell made a motion to appoint LaMar Guymon, Emery County Sheriff, as the Chair of the Law Enforcement Committee and UCIP Board Member. In the event LaMar Guymon is unable to serve, Kay moved to appoint Cameron Noel, Beaver County Sheriff, as the Chair of the Law Enforcement Committee and UCIP Board Member. Brad Dee made a substitute motion to invite LaMar Guymon, Cameron Noel and Jeff Merrell, Uintah County Sheriff, to the next Board Meeting to be interviewed. The Board will appoint the new Chair of the Law Enforcement Committee following the interviews. Jim Eardley seconded the motion, which passed unanimously. The Board directed Mark Brady to contact LaMar Guymon, Cameron Noel and Jeff Merrell to explain the duties of the Board, discuss their willingness to serve and invite them to the next Board Meeting.

The agenda item was again brought up later in the meeting. Brad Dee made a motion directing Mark Brady to contact LaMar Guymon, Cameron Noel and Jeff Merrell to find out their interest in serving on the Board of Trustees and their commitment to attending the meetings. The candidates will be interviewed at the Board Retreat in June. Kent Sundberg made a substitute motion to interview the candidates via telephonic conference. The motion failed. Kay Blackwell seconded Brad Dee's motion, which passed. Kent Sundberg voted against the motion.

Review of Board Members Absent

All Board Members were present at this meeting.

Approval of February 14, 2008 Meeting Minutes

The minutes of the Board of Trustees meeting held February 14, 2008 were previously sent to the Board of Trustees for review. Steve Wall requested that the minutes be corrected on page one, UBS Financial Services Report, fourth sentence should read: *At this time, short-term investing has increased in value.* Page four, Chief Executive Officers Report, paragraph six, should read: *Lynn Lemon signed a Resolution to Appoint Johnnie Miller as UCIP's Representative to County Reinsurance Limited.* Steve Wall made a motion to approve the February 14, 2008 meeting minutes as corrected. Karla Johnson seconded the motion, which passed unanimously.

Presentation of Actuarial Reserve Analysis

Lisa Dennison, By The Numbers Actuarial Consultants, reviewed the 2007 Workers' Compensation Actuarial Reserve Analysis with the Board (see attachment number one). Lisa explained that since the Pool has four-years of loss experience the actuaries were able to use more of the Pool's experience instead of solely using industry experience. Page five charts the Incurred But Not Reported (IBNR) estimate calculated by the actuaries. IBNR estimates for the year 2004 were too high. Page six charts the known losses with page four and 37 comparing prior actuarial reports. Only a 1.4% change to the specific retention was experienced. Page 13 shows a decrease in the historical and expected development of incurred losses for year 2006 but the actuaries expect losses to develop 16% after 72 months of development. In comparison, the historical and expected development of paid losses, page 17, is expected to develop 37% after 72 months. The methods used to cover claims for the average four-year estimates are shown on page 22. The Workers' Compensation Pool needs \$3,000,000 reserved to pay claims prior to 2006. Table 10 shows the estimated funds available for claims, all years, is \$4,041,341. Johnnie Miller recommended that the Pool conduct a payroll audit each year to accurately collect required premiums from its members; the Board agreed.

Lisa reviewed the 2007 Multiline Actuarial Reserve Analysis with the Board (see attachment number two). As shown on page four, Lisa explained that the incurred losses to the prior actuarial report are \$1.29 million less than estimated. This is a favorable development. Page 13 charts the historical and expected development of incurred losses and table 33 on page 55 shows the historical profitability at \$756,829 increase in surplus due to favorable prior year loss development.

Ken Bischoff made a motion to approve the 2007 Workers' Compensation and Multiline Actuarial Reserve Analysis Reports as presented. Bruce Adams seconded the motion, which passed unanimously.

Presentation of Independent Audit 2007

Geri Douglas and Diane Nesbit of Larson & Company reviewed the draft 2007 Financial Statements and Independent Auditors' Report, which is an unqualified opinion on the financials, with the Board (see attachment number three). Pages 4-9 consist of Management's Discussion and Analysis prepared by Johnnie Miller. The Statement of Net Assets, page 10, shows an increase in cash due to more monies held in the Public Treasurers' Investment Fund (page 17 notes provides a breakdown of cash and investments). Receivables show higher due to premiums billed for the Employee Benefits Pool, reserves for losses increased \$500,000 (IBNR estimates provided by the actuary) and capital assets have increased due to the land purchase. The auto restricted amount has been moved to unrestricted since a car allowance is now used for employees. Net assets have increased \$286,035 from the prior year. On the Statement of Cash Flows the Pool used a negative \$440,091 for operating activities wherein \$562,667 was used in 2006. A breakdown by line of business is shown on pages 26 and 27. Page 29 states no instances of noncompliance were found during the audit process. Recommendations to certain matters found during the course of the audit are listed in the Management Letter. These recommendations to strengthen internal controls include: 1) clarity to the sick and vacation policy; 2) non-accountable plan for the employee auto allowance; 3) timely deposit of cash receipts; 4) signatures required on workers' compensation disbursement checks; 5) supporting documentation for cash disbursements; 6) state legal compliance on budgeted expenditures; and 7) development of a disaster recovery plan.

Brad Dee made a motion to approve the 2007 Audit as presented. Kay Blackwell seconded the motion, which passed unanimously.

Audit Committee Report

Steve Wall reported that the Audit Committee met with Geri Douglas and Martha Hayes prior to the audit and met with Geri and Diane Nesbit to review the draft audit that was presented to the Board. The Pool's budget is currently on a cash basis, which the auditors report as a deficiency. The Audit Committee will work with staff to review year-end accrual entries and accrual line of business budgeting.

Building Committee Report

Steve White reported that the Building Committee met to discuss issues regarding the new UCIP Building. Only one bid for architectural services was received. The State of Utah is widening 700 East and will be taking UCIP owned property; how much has yet to be determined. The lease is due in February 2009 at the current location UCIP staff is housed. Larger space, in the same building, has just recently become available at a lower rate. The Building Committee recommends waiting to start construction until the road construction is complete. Steve White made a motion authorizing Johnnie Miller to reject the received bid for architectural services and research why only one response was received and authorize Johnnie to negotiate and provide leasing options to the Board at its next meeting. Karla Johnson seconded the motion, which passed unanimously.

Approve Amended Joint Policy Statements

Johnnie Miller explained that recommended changes to the Joint Policy Statements will be discussed at the Board Retreat in June. Expenses need to be paid to members traveling to the AGRIP Conference in Arizona, the Joint Policy Board Travel Expenses is not clear as to reimbursement if a member chooses a more expensive means of travel. The Board agreed that the Policy should be that reimbursement is made based on the least expensive method of travel.

Approve Resolution to Appoint Representative to County Reinsurance Limited

Karla Johnson made a motion to approve a Resolution to Appoint Johnnie Miller as UCIP's Representative to County Reinsurance Limited as signed at the February 14, 2008 Board meeting. Ken Bischoff seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Karla Johnson made a motion to set the date and time for a closed meeting to discuss character, professional competence, and/or physical/mental health of an individual for April 18, 2008 at 3:25 p.m. Kent Sundberg seconded the motion, which passed unanimously. Board Members present during the closed meeting were: Lynn Lemon, Kay Blackwell, Steve Wall, Bruce Adams, Ken Bischoff, Brad Dee, Jim Eardley, Jerry Hess, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White.

The regular meeting resumed at 3:49 p.m. on April 18, 2008.

Set Date and Time for Closed Meeting

Karla Johnson made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for April 18, 2008 at 3:50 p.m. Jerry Hess seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Lynn Lemon, Kay Blackwell, Steve Wall, Bruce Adams, Ken Bischoff, Brad Dee, Jim Eardley, Jerry Hess, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White. Others present were: Johnnie Miller, Sonya White and Anne Ayrton.

Regular meeting resumed at 4:00 p.m. on April 18, 2008.

Action on Litigation Matters

Kent Sundberg made a motion approving authority up to an amount of \$120,000 during mediation in the matter of BOX0000432006. Steve Wall seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made (see attachment number four) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions, noting that a couple of issues will be reviewed with staff. Wayne Smith seconded the motion, which passed unanimously.

Review First Quarter Unaudited Financial Statements

Sonya White reviewed the in-house prepared, unaudited account balances arising from cash and accrual transactions as of March 31, 2008 (see attachment number five). A financial summary sheet was not compiled for the Board because the final audit and actuarial reports had not yet been approved. As discussed in the audit presentation and as shown on the Balance Sheet, cash has increased (unrestricted investments have decreased) from last year due to more monies held at the Public Treasurers' Investment Fund, which currently has higher rates than bonds being placed by UBS Financial Services. IBNR and Loss Reserves for 2008 have increased from the prior year as determined by the recent actuarial analysis. With the year 25% complete, budget to actual comparisons for each line of business and the administration expenses are in line for the first quarter 2008. Staff will revisit and request an account analysis from Wells Fargo.

Review Recommendation of Benefits Committee

Anne Ayrton reported that the Benefits Committee has been meeting with the Public Employees Benefits Program (PEHP) to move UCIP members out of the Local Governments Risk Pool (LGRP) into UCIP's own pool. Johnnie Miller explained that pursuant to the contract between UCIP and PEHP a separate UCIP member pool, one developing surplus, should have been created effect January 1, 2006. PEHP did not follow through with its contract obligations, which has cost UCIP approximately \$1.5 million in developed surplus pursuant to the PEHP actuarial analysis. PEHP Management is stating that surplus has already been reported to members of the LGRP and must be retained by the LGRP. PEHP is ready to start UCIP's pool effective January 1, 2009. Johnnie has outlined his recommendations in his CEO report (see attachment number six). The Benefits Pool Planning Board Committee (Brad Dee, Lynn Lemon and Kent Sundberg) and Johnnie will meet with PEHP Management to discuss the breach of contract and how to proceed with UCIP's separate, surplus earning pool.

Chief Executive Officer's Report

Due to time constraints, Johnnie Miller provided the Board with his written report (see attachment number six) and requested that the Board review and contact him with any questions.

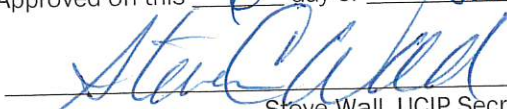
Other Business

Kay Blackwell requested that the Board discuss meeting schedule options. Jerry Hess requested that all information be emailed to the Board in advance.

Brad Dee explained that the Weber County Information Technology Department has developed an exceptional email policy that he would like to introduce to the UCIP members. Johnnie Miller recommended that Brad meet with the IT Committee that Mark Brady has coordinated.

The next meeting of the Board of Trustees is scheduled for June 6, 2008, 12:00 p.m. in Eden.

Approved on this 6 day of June 2008


Steve Wall, UCIP Secretary-Treasurer

Johnnie Miller

From: JAMES D NYLAND [jdnyland@grand.state.ut.us]
Sent: Wednesday, April 09, 2008 9:11 AM
To: johnnie miller
Subject: resignation
Attachments: _AVG certification_.txt

Good Morning CEO Miller

This document is to inform you that of this date I will be resigning from the UTAH COUNTIES INSURANCE BOARD.

It has been a pleasure and very informative to be a member of the Board.

I have other commitments that will interfere with my attendance of the board meetings.

The staff of UCIP Has been very helpful and great to work with.

I will notify the President of the Utah Sheriff's Association of the resignation.

Thank You again of the opportunity.

Jim

James D. Nyland Sr.
Sheriff

4/9/2008

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

ACTUARIAL REPORT

*Estimated Required Reserves
as of 12/31/07*

**COMPARISON OF ESTIMATED ULTIMATE
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT**
(Limited to Specific Retention)

<u>Policy Period</u>	<u>Current Report (Section A of Table 7)</u>	<u>3/29/07 Report (Section A of Table 7)</u>	<u>Change</u>	<u>Percent Change</u>
1/1-12/31/04	\$ 837,942	\$ 834,202	\$ 3,741	0.4%
1/1-12/31/05	1,617,005	1,572,974	44,031	2.8%
1/1-12/31/06	<u>1,789,845</u>	<u>1,900,000</u>	<u>(110,155)</u>	<u>(5.8%)</u>
Total	\$4,244,792	\$4,307,175	(\$ 62,384)	(1.4%)

Figure 1

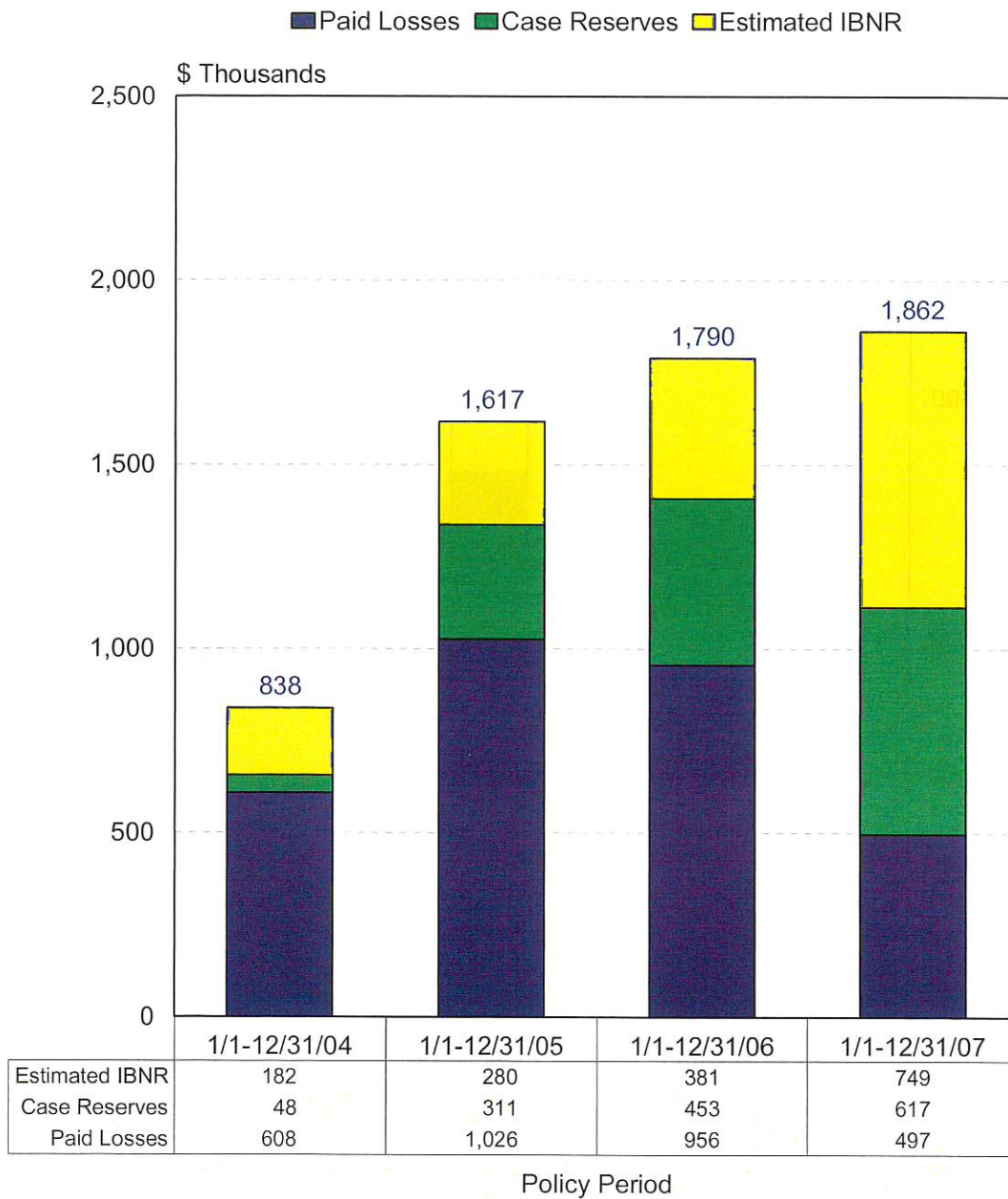
UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION**ESTIMATED RETAINED LOSSES AS OF 12/31/07**

Figure 2

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION
COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT
 (Limited to Specific Retention)

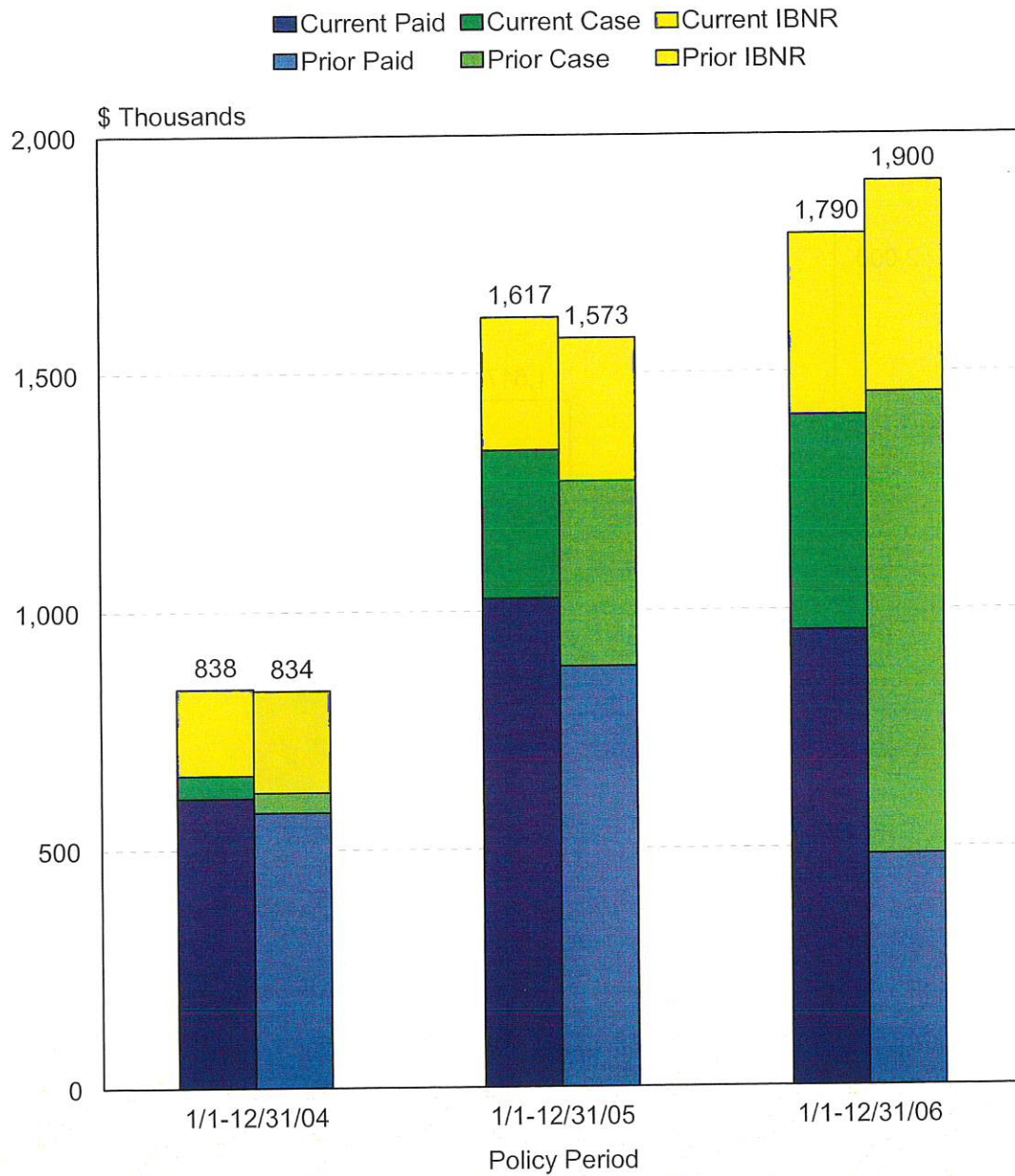


Table 1

UTAH COUNTIES INSURANCE POOL**WORKERS COMPENSATION****INCURRED LOSS DEVELOPMENT FACTORS**

(Unlimited Losses Including ALAE)

A. INCURRED LOSSES

Policy Period	Age of Policy Period					
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months
1/1-12/31/04	\$ 417,675	\$ 597,154	\$ 620,266	\$ 656,208		
1/1-12/31/05	1,377,463	1,599,893	1,672,252			
1/1-12/31/06	1,995,872	1,774,049				
1/1-12/31/07	1,113,815					

B. AGE-TO-AGE FACTORS

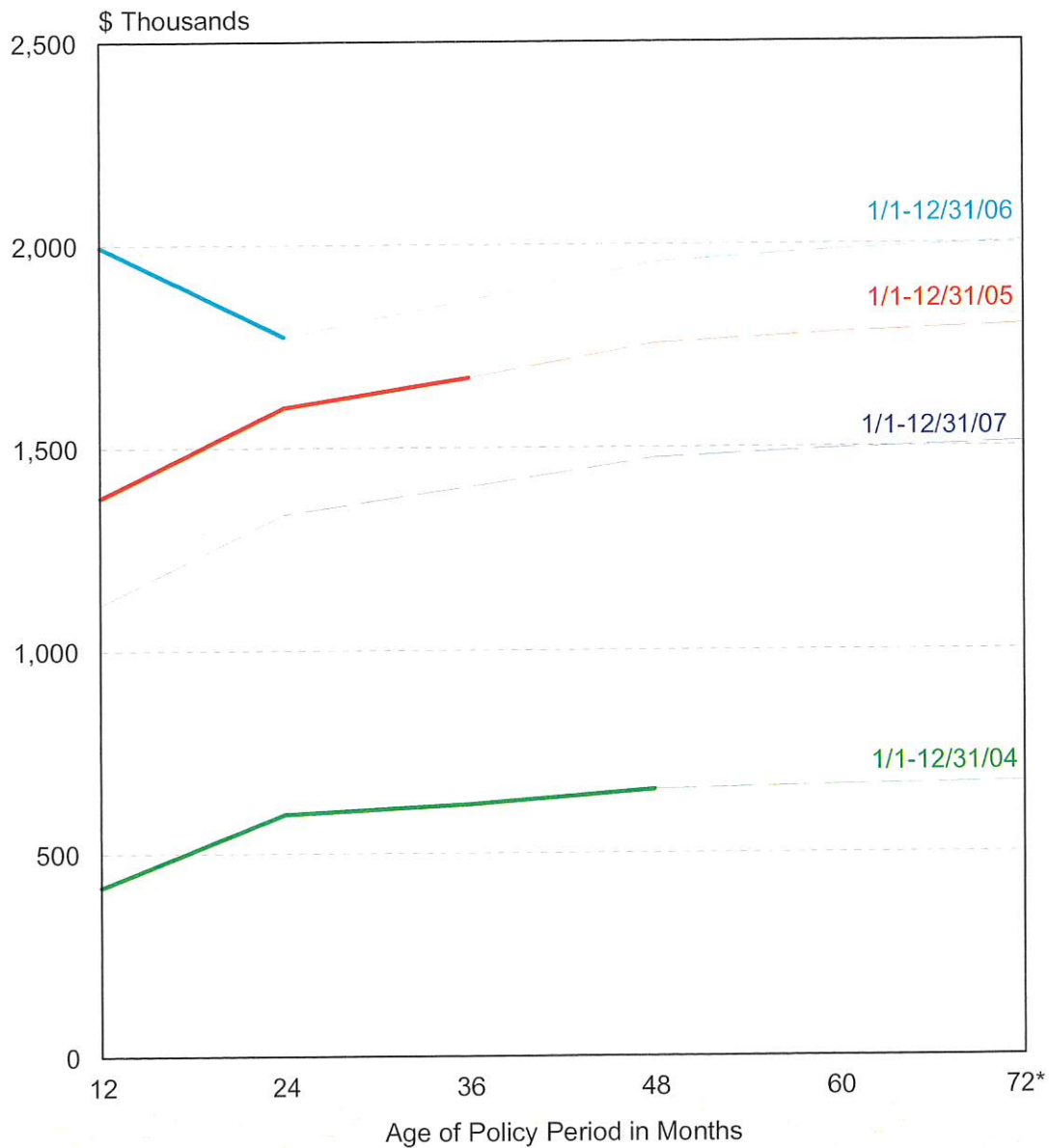
Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to Ultimate
1/1-12/31/04	1.430	1.039	1.058			
1/1-12/31/05	1.161	1.045				
1/1-12/31/06	0.889					
Average	1.160	1.042	1.058			
Wtd Avg	1.048	1.043	1.058			
UT NCCI	1.289	1.056	1.045	1.021	1.020	1.183
Prior	1.250	1.050	1.038	1.014	1.011	1.155
Selected	1.200	1.050	1.050	1.015	1.010	1.160

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate
1.576	1.313	1.250	1.190	1.172	1.160

Figure 3

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION
HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES
(Unlimited Losses Including ALAE)

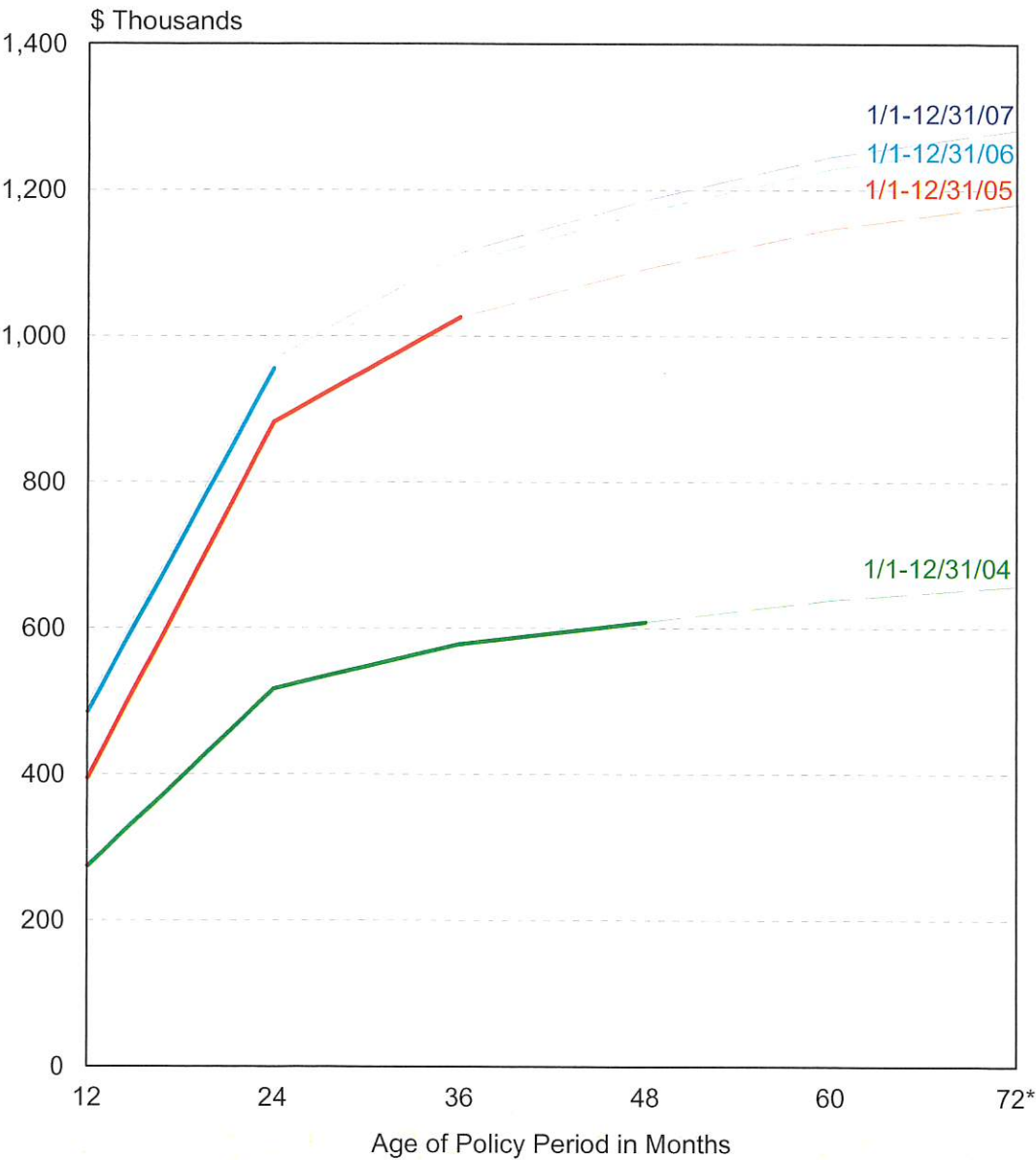


* Expected development of 16.0% after 72 months.

Figure 4

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES
(Unlimited Losses Including ALAE)



* Expected development of 37.0% after 72 months.

Table 7

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

ESTIMATED REQUIRED RESERVES AS OF 12/31/07
(Limited to Specific Retention)

A. SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Loss Development	Paid Loss Development	Incurred Bornhuetter-Ferguson	Paid Bornhuetter-Ferguson	Selected Estimated Ultimate Incurred Losses
1/1-12/31/04	\$ 780,888	\$ 901,671	\$ 789,680	\$ 879,530	\$ 837,942 *
1/1-12/31/05	1,595,999	1,618,960	1,651,394	1,601,665	1,617,005 *
1/1-12/31/06	1,755,467	1,734,474	1,860,705	1,808,733	1,789,845 *
1/1-12/31/07	1,755,372	1,757,789	1,898,565	2,038,241	1,862,492 *
Total	\$5,887,726	\$6,012,894	\$6,200,344	\$6,328,169	\$6,107,283

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/07

Policy Period	Selected Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/07	Paid Losses as of 12/31/07	Case Reserves as of 12/31/07	Estimated IBNR as of 12/31/07	Estimated Required Reserves as of 12/31/07
1/1-12/31/04	\$ 837,942	\$ 656,208	\$ 608,415	\$ 47,793	\$ 181,734	\$ 229,527
1/1-12/31/05	1,617,005	1,336,799	1,025,957	310,842	280,206	591,048
1/1-12/31/06	1,789,845	1,408,505	955,633	452,872	381,340	834,212
1/1-12/31/07	1,862,492	1,113,815	496,691	617,124	748,677	1,365,801
Total	\$6,107,283	\$4,515,327	\$3,086,696	\$1,428,631	\$1,591,956	\$3,020,587

* Selected the average unless otherwise noted.

Figure 5

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

(Limited to Specific Retention)

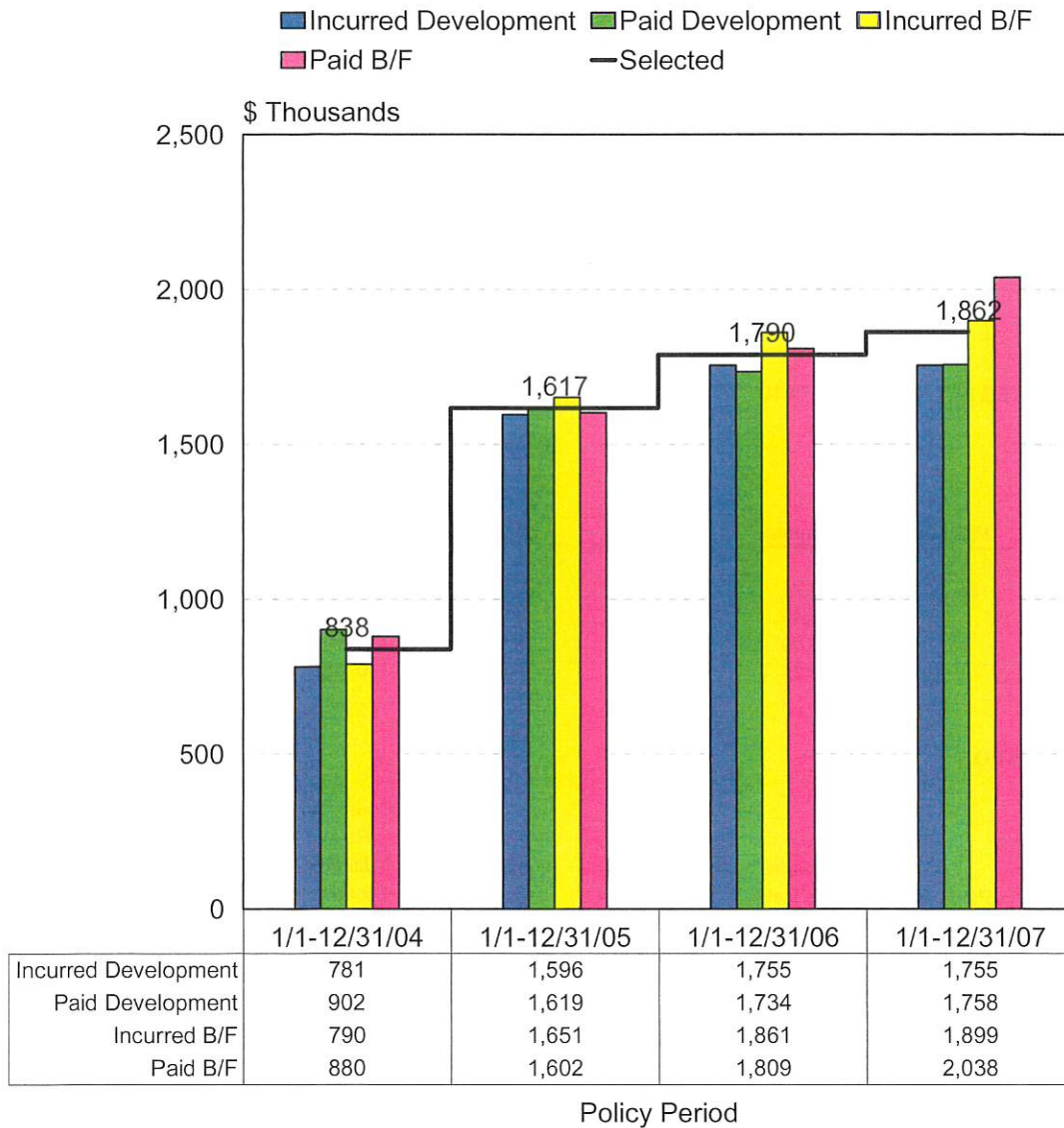


Table 10

UTAH COUNTIES INSURANCE POOL
WORKERS COMPENSATION
HISTORICAL PROFITABILITY ANALYSIS

A. ESTIMATED NET INCOME

Policy Period	Premium [^]	Operating Expenses [^]	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income	Other Income [^]	Estimated Net Income
1/1-12/31/04	\$ 906,667	\$ 669,784	\$ 236,883	\$ 837,942	(\$ 601,059)	\$ 37,256	(\$ 563,803)
1/1-12/31/05	1,651,414	700,214 *	951,200	1,617,005	(665,805)	85,068	(580,737)
1/1-12/31/06	2,080,801	899,459 *	1,181,342	1,789,845	(608,503)	74,841	(533,662)
1/1-12/31/07	2,373,338	701,422	1,671,916	1,862,492	(190,576)	80,000 #	(110,576)
Total	\$7,012,220	\$2,970,879	\$4,041,341	\$6,107,283	(\$2,065,942)	\$ 277,165	(\$1,788,777)

B. ESTIMATED NET INCOME PER \$100 PAYROLL

Policy Period	Premium	Expenses	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income	Payroll (100)
1/1-12/31/04	\$1.00	\$0.74	\$0.26	\$0.92	(\$0.66)	\$ 906,667
1/1-12/31/05	1.06	0.45	0.61	1.03	(0.42)	1,564,634
1/1-12/31/06	1.15	0.50	0.65	0.99	(0.34)	1,811,078
1/1-12/31/07	1.19	0.35	0.84	0.94	(0.10)	1,987,729

C. LOSS RATIOS

Policy Period	Paid Loss Ratio as of 12/31/07	Incurred Loss Ratio as of 12/31/07	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/Premium)	Combined Ratio [(Ultimate Losses + Expenses)/Premium]
1/1-12/31/04	0.671	0.724	0.924	0.261	1.663
1/1-12/31/05	0.621	0.809	0.979	0.576	1.403
1/1-12/31/06	0.459	0.677	0.860	0.568	1.292
1/1-12/31/07	0.209	0.469	0.785	0.704	1.080
			0.871	0.576	1.295

[^] Based on the audited financial statements for 1/1-12/31/04 through 1/1-12/31/06 and preliminary estimates for 1/1-12/31/07.

* Split administrative expenses 19% worker compensation and 81% multi-line at UCIP's request.

Estimated by BYNAC.

Appendix C

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

COMPARISON TO PRIOR ACTUARIAL REPORTS

(Limited to Specific Retention)

A. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Based on Data Valued as of			
	12/31/04	12/31/05	12/31/06	12/31/07
1/1-12/31/04	\$ 827,991	\$ 857,395	\$ 834,202	\$ 837,942
1/1-12/31/05		1,510,110	1,572,974	1,617,005
1/1-12/31/06			1,900,000	1,789,845
1/1-12/31/07				1,862,492
Total	\$ 827,991	\$ 2,367,505	\$ 4,307,175	\$ 6,107,283

B. CHANGES FROM PRIOR REPORTS

Policy Period	Change from			
	12/31/04 to 12/31/05	12/31/05 to 12/31/06	12/31/06 to 12/31/07	12/31/04 to 12/31/07
1/1-12/31/04	\$ 29,404	(\$ 23,194)	\$ 3,741	\$ 9,951
1/1-12/31/05		62,864	44,031	106,895
1/1-12/31/06			(110,155)	(110,155)
Total	\$ 29,404	\$ 39,670	(\$ 62,384)	\$ 6,691

UTAH COUNTIES INSURANCE POOL (UCIP)

Property and Liability Program

ACTUARIAL REPORT

*Estimated Required Reserves
as of 12/31/07*

**COMPARISON OF ESTIMATED ULTIMATE
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT
ALL COVERAGES**
(Limited to Specific and Aggregate Retentions)
(Net of Recoveries)

Policy Period	Current Report (Table 30 Section B)	3/28/07 Report (Table 28 Section B)	Change	Percent Change
1/1-12/31/92	\$ 850,000 @	\$ 850,000 @	\$ 0	0.0%
1/1-12/31/93	1,100,000 @	1,100,000 @	0	0.0%
1/1-12/31/94	1,350,000 @	1,350,000 @	0	0.0%
1/1-12/31/95	903,375	899,877	3,498	0.4%
1/1-12/31/96	899,711	899,711	0	0.0%
1/1-12/31/97	1,120,435	1,170,624	(50,189)	(4.3%)
1/1-12/31/98	1,396,217	1,396,217	0	0.0%
1/1-12/31/99	1,528,678	1,530,000 @	(1,322)	(0.1%)
1/1-12/31/00	1,015,213	1,084,292	(69,079)	(6.4%)
1/1-12/31/01	1,715,000 @	1,715,000 @	0	0.0%
1/1-12/31/02	1,850,000 @	1,850,000 @	0	0.0%
1/1-12/31/03	2,617,388	2,623,938	(6,550)	(0.2%)
1/1-12/31/04	1,969,992	2,468,574	(498,582)	(20.2%)
1/1-12/31/05	2,608,806	2,875,348	(266,542)	(9.3%)
1/1-12/31/06	1,943,139	2,344,624	(401,485)	(17.1%)
Total	\$22,867,954	\$24,158,205	(\$1,290,251)	(5.3%)

@ Limited to the aggregate retention.

Figure 1

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

ESTIMATED RETAINED LOSSES AS OF 12/31/07

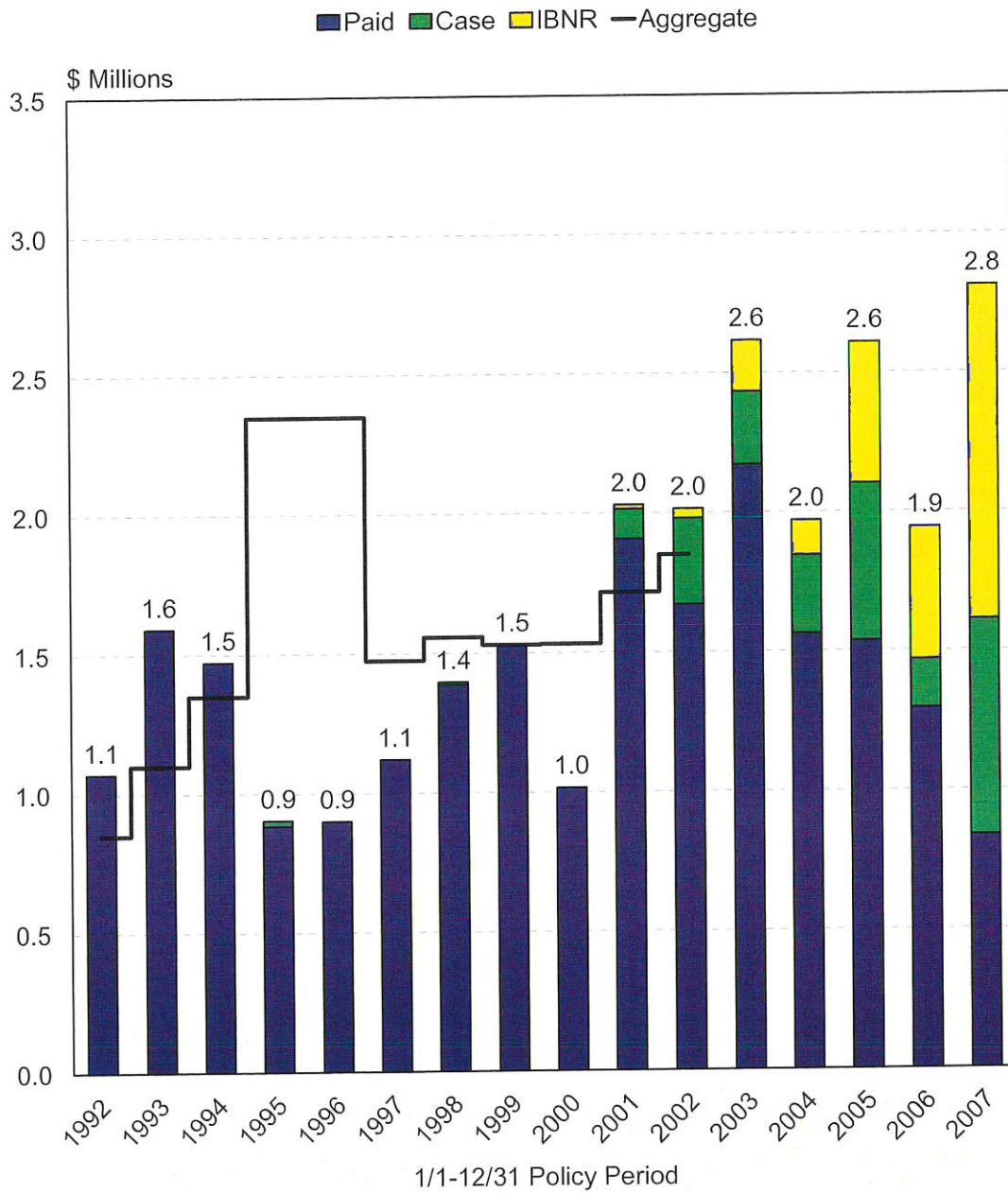


Figure 2

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT
(Limited to Specific and Aggregate Retentions)

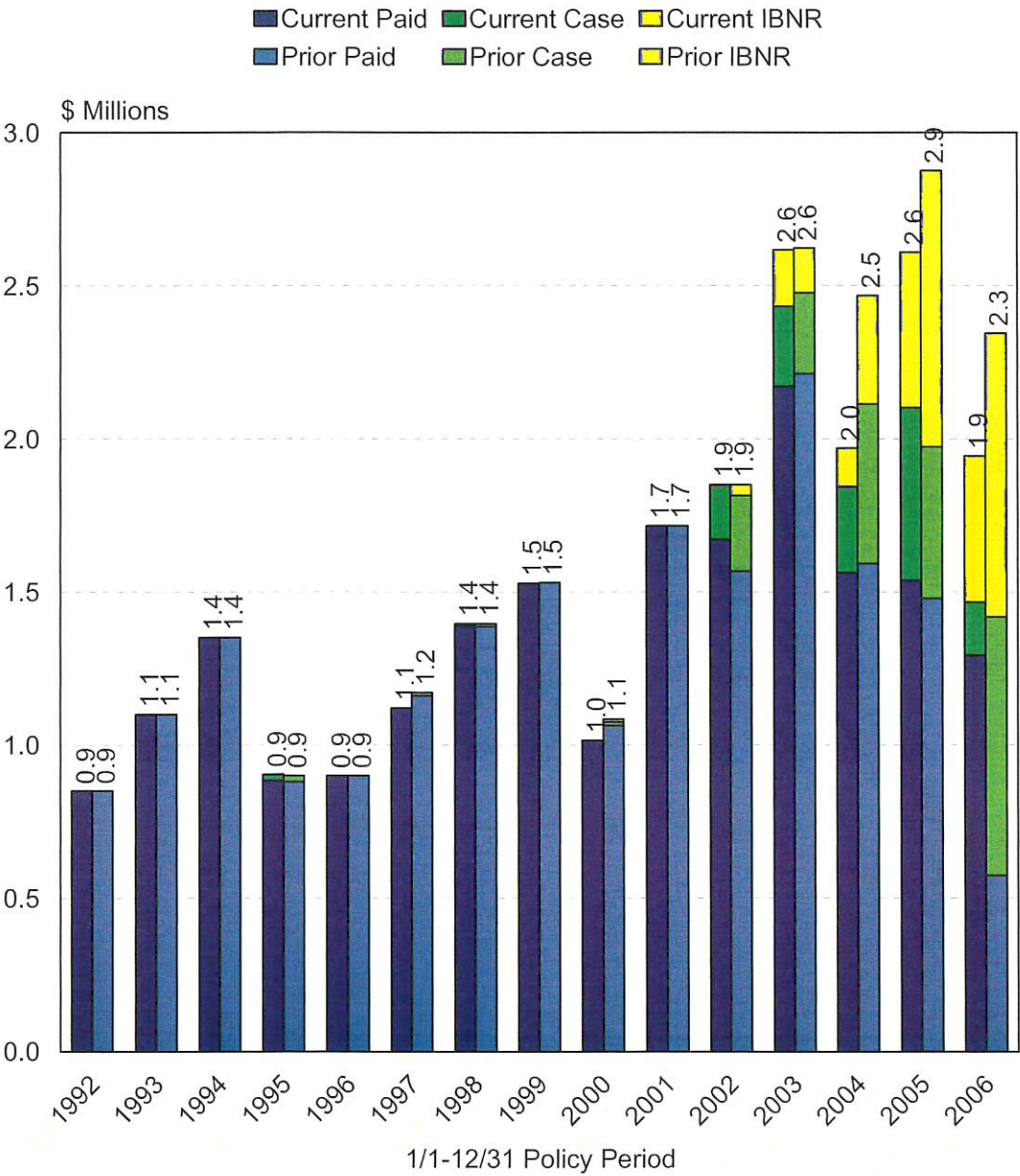


Figure 3

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES
(Unlimited Losses Including ALAE Gross of Recoveries)

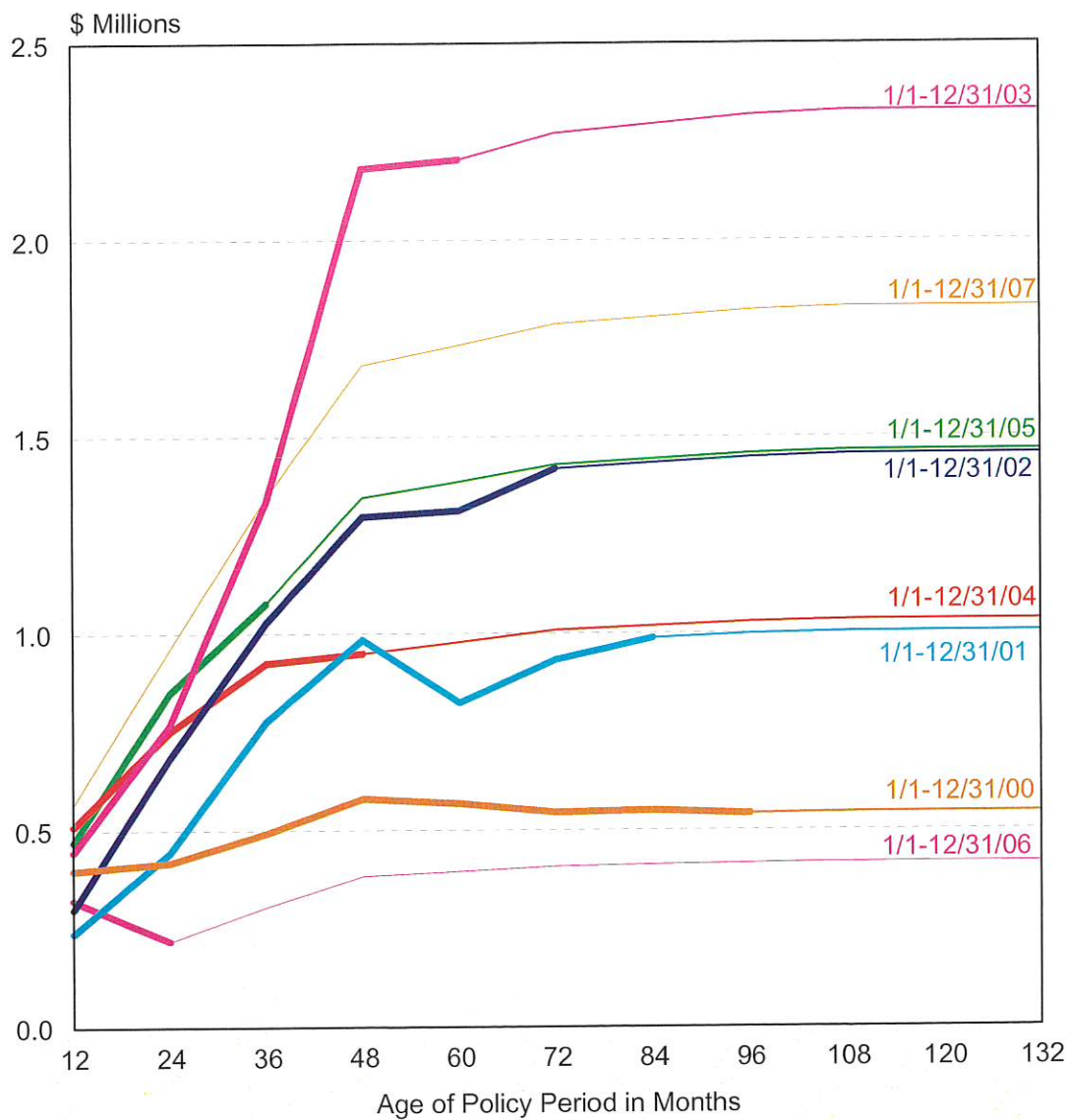


Figure 4

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES
(Unlimited Losses Including ALAE Gross of Recoveries)

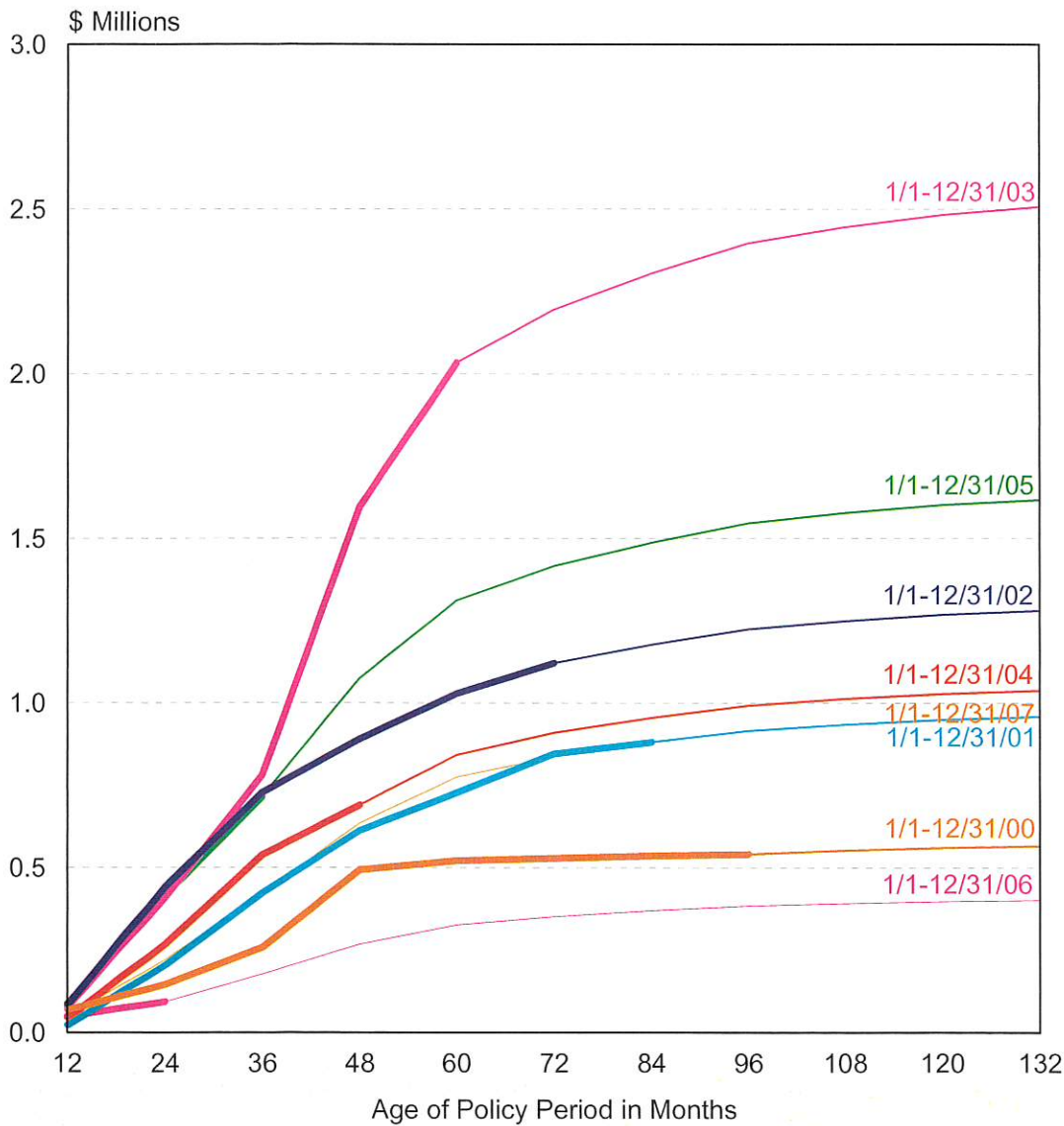


Figure 5

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retention)

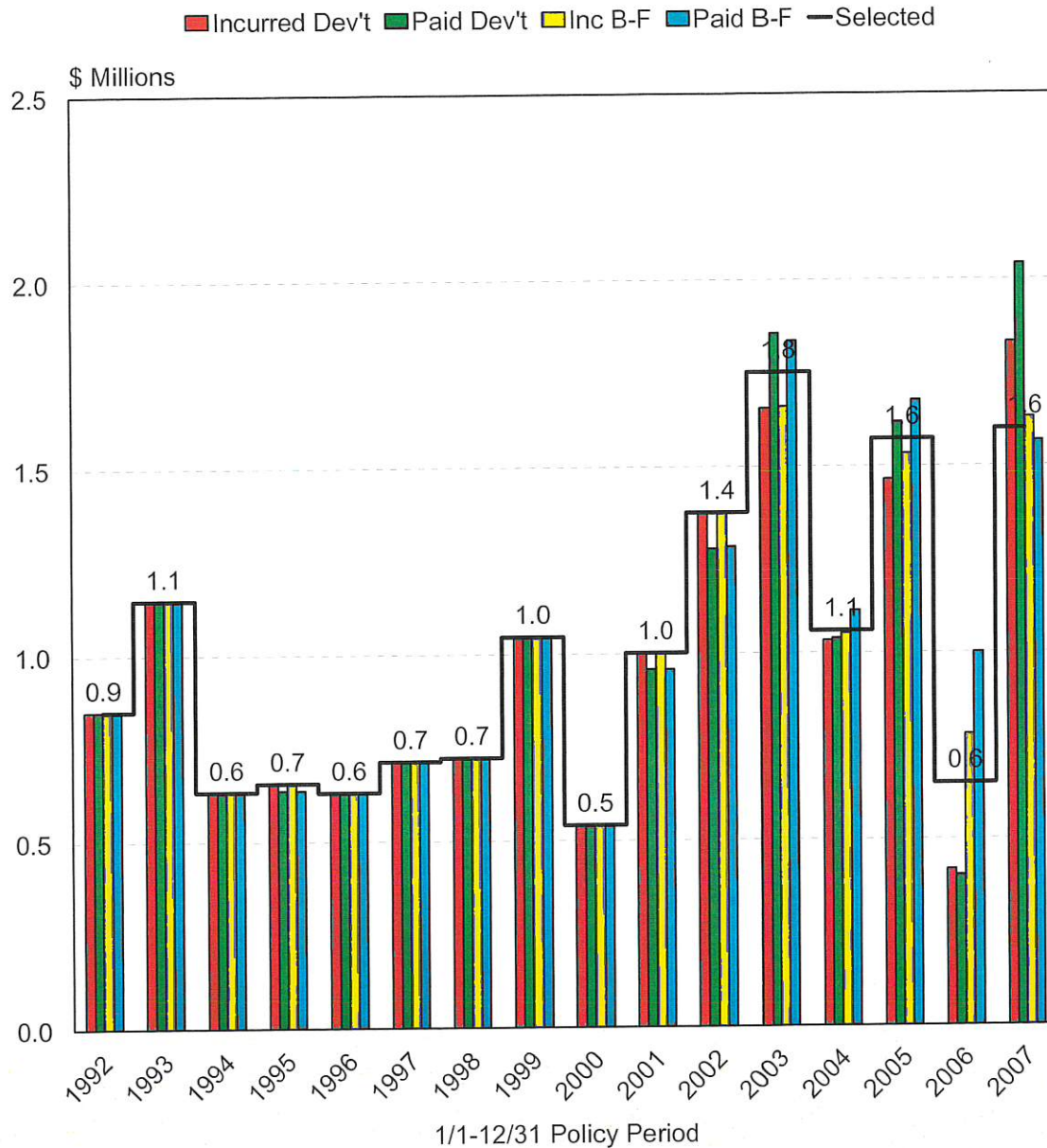


Table 33

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

HISTORICAL PROFITABILITY ANALYSIS

A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
1/1-12/31/01	\$ 3,222,871	\$ 1,489,185	\$ 1,733,686	\$ 1,715,000	\$ 18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,850,000	10,783
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,617,388	(729,202)
1/1-12/31/04	4,194,644	2,048,851	2,145,793	1,969,992	175,801
1/1-12/31/05	4,217,591	2,045,137 #	2,172,454	2,608,806	(436,352)
1/1-12/31/06	4,195,406	2,293,527 #	1,901,879	1,943,139	(41,260)
1/1-12/31/07	4,490,315	2,621,189 #	1,869,126	2,810,308	(941,182)
Total	\$27,757,417	\$14,185,510	\$13,571,907	\$15,514,633	(\$1,942,726)

B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Interest & Other Income*	Estimated Net Income
1/1-12/31/01	\$ 18,686	\$ 434,407	\$ 453,093
1/1-12/31/02	10,783	237,750	248,533
1/1-12/31/03	(729,202)	223,149	(506,053)
1/1-12/31/04	175,801	230,501	406,302
1/1-12/31/05	(436,352)	400,393	(35,959)
1/1-12/31/06	(41,260)	618,976	577,716
1/1-12/31/07	(941,182)	544,379	(396,803)
Total	(\$1,942,726)	\$2,689,555	\$ 746,829

C. LOSS RATIOS

Policy Period	Paid Loss Ratio as of 12/31/07	Incurred Loss Ratio as of 12/31/07	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/Premium)	Combined Ratio [(Losses+ Expenses)/Premium]
1/1-12/31/01	0.532	0.532	0.532	0.538	0.994
1/1-12/31/02	0.477	0.528	0.528	0.531	0.997
1/1-12/31/03	0.552	0.619	0.666	0.480	1.186
1/1-12/31/04	0.373	0.440	0.470	0.512	0.958
1/1-12/31/05	0.364	0.498	0.619	0.515	1.103
1/1-12/31/06	0.308	0.350	0.463	0.453	1.010
1/1-12/31/07	0.186	0.359	0.626	0.416	1.210
Total			0.559	0.489	1.070

* From the audited financial statements for prior to 1/1/07 and based on the 12/31/07 preliminary financial statements for 2007.

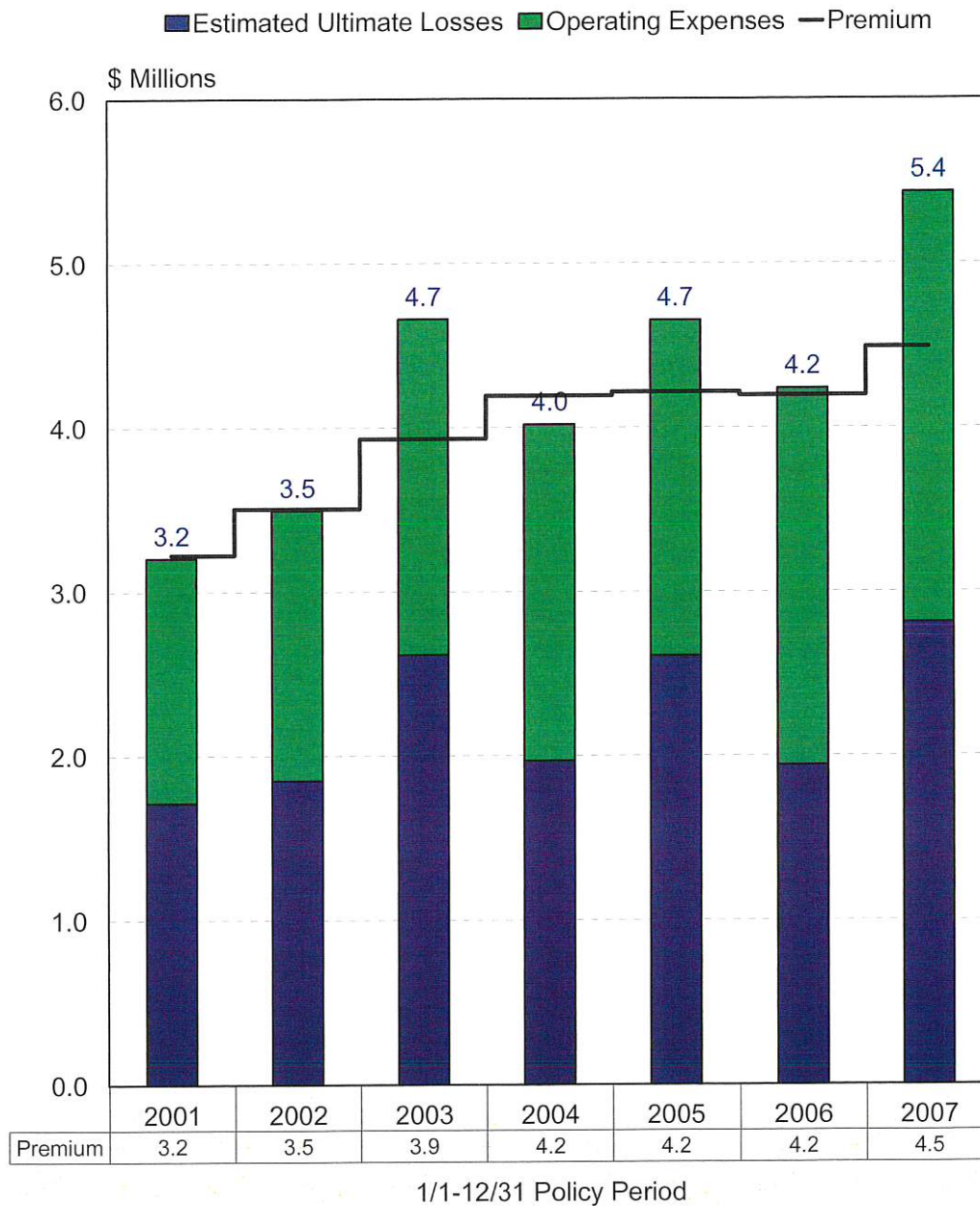
Split administrative expenses 19% worker compensation and 81% multi-line at UCIP's request.

Figure 6

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

HISTORICAL PROFITABILITY ANALYSIS



Appendix D

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORTS
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Report Based on Losses Valued as of				
	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07
1/1-12/31/92	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000
1/1-12/31/93	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
1/1-12/31/94	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
1/1-12/31/95	802,604	864,371	884,650	899,877	903,375
1/1-12/31/96	877,650	899,711	899,711	899,711	899,711
1/1-12/31/97	1,099,100	1,151,060	1,165,624	1,170,624	1,120,435
1/1-12/31/98	1,308,532	1,399,377	1,415,764	1,396,217	1,396,217
1/1-12/31/99	1,470,950	1,530,000	1,530,000	1,530,000	1,528,678
1/1-12/31/00	971,608	1,119,812	1,079,505	1,084,292	1,015,213
1/1-12/31/01	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000
1/1-12/31/02	1,574,314	1,775,466	1,850,000	1,850,000	1,850,000
1/1-12/31/03	2,304,357	2,178,111	2,618,332	2,623,938	2,617,388
1/1-12/31/04		2,644,689	2,666,913	2,468,574	1,969,992
1/1-12/31/05			2,824,402	2,875,348	2,608,806
1/1-12/31/06				2,344,624	1,943,139
1/1-12/31/07					2,810,308
Total	\$ 15,424,115	\$ 18,577,597	\$ 21,949,901	\$ 24,158,205	\$ 25,678,262

B. COMPARISON TO PRIOR REPORTS

Policy Period	Change from				
	12/31/03 to 12/31/06	12/31/04 to 12/31/05	12/31/05 to 12/31/06	12/31/06 to 12/31/07	12/31/03 to 12/31/07
1/1-12/31/91	0	0	0	0	0
1/1-12/31/92	0	0	0	0	0
1/1-12/31/93	0	0	0	0	0
1/1-12/31/94	61,767	20,279	15,227	3,498	100,771
1/1-12/31/95	22,061	0	0	0	22,061
1/1-12/31/96	51,960	14,564	5,000	(50,189)	21,335
1/1-12/31/97	90,845	16,387	(19,547)	0	87,685
1/1-12/31/98	59,050	0	0	(1,322)	57,728
1/1-12/31/99	148,204	(40,307)	4,787	(69,079)	43,605
1/1-12/31/00	0	0	0	0	0
1/1-12/31/01	201,152	74,534	0	0	275,686
1/1-12/31/02	(126,246)	440,221	5,606	(6,550)	313,031
1/1-12/31/03		22,224	(198,339)	(498,582)	(674,697)
1/1-12/31/04			50,946	(266,542)	(215,596)
1/1-12/31/05				(401,485)	(401,485)
1/1-12/31/06					0
Total	508,793	547,902	(136,320)	(1,290,251)	(369,876)

UTAH COUNTIES INSURANCE POOL

Financial Statements
and
Independent Auditors' Report

December 31, 2007 and 2006

UTAH COUNTIES INSURANCE POOL

CONTENTS

	<u>Page</u>
Independent Auditors' Report	3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
Statements of Net Assets	10
Statements of Revenues, Expenses, and Changes in Net Assets	11
Statements of Cash Flows	12
Notes to Basic Financial Statements	13-22
Required Supplementary Information:	
Premiums and Loss Development Information	24
Supplementary Information:	
Statement of Net Assets by Lines of Business	26
Statement of Revenues, Expenses, and Changes in Net Assets By Lines of Business	27
Other Independent Auditors' Reports for the Year Ended December 31, 2007 on:	
Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29-30
Compliance with the State of Utah Legal Compliance Guidelines	31-32

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Utah Counties Insurance Pool

We have audited the accompanying basic financial statements of **Utah Counties Insurance Pool** as of December 31, 2007 and 2006, and for the years then ended, listed in the foregoing table of contents. These basic financial statements are the responsibility of the Pool's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. The Pool is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of **Utah Counties Insurance Pool** as of December 31, 2007 and 2006, and the results of its operations and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements of the Pool, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information as listed under the heading of Required Supplementary Information in the accompany table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Pool, but is supplementary information required by the Governmental Accounting Standards Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2008, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Salt Lake City, Utah
April 3, 2008

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis December 31, 2007 and 2006

The following management discussion of the Utah Counties Insurance Pool is intended to supplement the auditor's notes to the basic financial statements to provide readers a broader understanding of the information provided in the basic financial statements as it relates to the current operation and long term viability of the organization.

General Discussion

Company Background

Utah Counties Insurance Pool (UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual. In July 2003, the organization was renamed the Utah Counties Insurance Pool. UCIP operates as an interlocal entity formed under section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, and is considered a non-profit public agency insurance mutual under the insurance statutes of the State of Utah. Counties and other county related public agencies enter into the UCIP Interlocal Agreement to jointly self-insure risks of loss for Property, Auto, General Liability, Public Officials Liability, Law Enforcement Liability, Workers Compensation and Employee Benefits. In addition, members are provided risk management services to assist in controlling losses. All of the Pool's business activities are conducted in the State of Utah. UCIP began an Employee Benefits Program effective January 1, 2007. The benefits program was fully insured by the Public Employees Health Plan (PEHP), a division of the Utah Retirement System. UCIP provided administrative services under contract with PEHP including marketing, enrollment, billing and reporting.

2007 Marketplace

The insurance marketplace continued to soften during 2007, creating an increasingly competitive marketplace, while also providing for reduced costs for excess insurance and reinsurance.

Asset Protection

UCIP, like traditional insurance carriers, protects its assets by securing reinsurance and excess insurance to cover catastrophic events and other large losses above UCIP's self insured retentions. For 2007, UCIP secured excess property insurance from Affiliated FM insurance company. UCIP covered its excess liability reinsurance and workers' compensation risks through membership in County Reinsurance Limited (CRL). CRL is a Vermont-domiciled captive reinsurer formed under the auspices of the National Association of Counties. As a CRL member, UCIP is also an equity owner of CRL, along with county risk pools from fourteen other states. For purposes of this statement, the equity in CRL is shown as an investment.

Investments

UCIP utilizes investment income on assets not immediately needed for payment of claims and expenses to increase member equity.

The UCIP Board of Trustees has adopted a conservative investment policy which adheres to the Utah Money Management Act. Investment activities are monitored by both the Board and the Board's Audit Committee to assure compliance with the policy. UCIP does not invest in common stocks or mortgages. Some short-term investments are on deposit with the Utah Public Treasurer's Investment Fund and are available on a daily basis to meet

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis December 31, 2007 and 2006

cash flow needs related to claims and expenses. Currently the book value of the Pool's portfolio is \$11,860,416 as reported in the accompanying basic financial statements.

Basic Financial Statements

The basic financial statements reported herein are designed to provide readers with a broad overview of UCIP's finances, in a manner similar to private-sector business.

Statements Provided

The ***Statements of Net Assets*** present information on all of UCIP's assets and liabilities, with the difference between the two reported as net assets, also referred to as Member Equity. Over time, increases or decreases in net assets can serve as an indicator of UCIP's financial condition.

The ***Statements of Revenues and Expenses and Changes in Net Assets*** present information on changes in income, expenses and net assets during the fiscal year. Expenses are recorded as soon as the underlying event occurs, regardless of timing of payment of the expense. Accordingly, some expenses reported in this statement will result in cash flows in future periods.

The ***Statements of Cash Flows*** present information on the actual cash flow including both income and expense during the fiscal year. Cash flow during the period is presented without regard to the period in which the loss or service associated with the expense occurred. Accordingly, some expenses reported in this statement may have been reported in prior Statements of Net Assets or Statements of Revenues and Expenses and Changes in Net Assets.

Review of Statements of Net Assets

Assets - Total assets at the end of 2007 were \$12,875,539, an increase of \$515,392 over 2006. Total assets at the end of 2006 were \$12,360,147, an increase of \$1,223,039 over 2005. Capital assets (net of depreciation) totaled \$709,005 at the end of 2007, as compared to \$109,269 for 2006, an increase of \$599,736. The increase results from the purchase of land intended as a building site for UCIP's future office site.

Liabilities - Total liabilities at the end of 2007 were \$9,619,034, a decrease of \$229,356 over 2006. Total liabilities at the end of 2006 were \$9,389,678, an increase of \$1,223,039 over 2005. Reserves for losses and loss adjustment expenses at the end of 2007 were \$7,891,757 as compared to \$7,305,587 at the end of 2006, an increase of \$586,170. Reserves are reviewed, and IBNR factors are developed by the Pool's actuary. IBNR factors are developed from prior years loss data to account for changes in reserves from the current claim reserve to the ultimate amount incurred as well as increased reserves for claims incurred but not yet reported to UCIP.

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis December 31, 2007 and 2006

Net Assets - Net assets (Member Equity) at December 31, 2007 equaled \$3,256,505 as compared to \$2,970,470 at the end of 2006, an increase of \$286,035. Net assets at December 31, 2005 were \$3,290,514 as compared to \$4,569,465 at the end of 2004. For the most part, changes in net assets track with changes in reserves and IBNR identified by the actuary.

Condensed Statement of Net Assets			
	2007	2006	Net Change
Assets:			
Current and other assets	\$ 12,166,534	\$ 12,250,879	\$ (84,345)
Capital assets	709,005	109,269	599,736
Total assets	<u>\$ 12,875,539</u>	<u>\$ 12,360,148</u>	<u>\$ 515,391</u>
Liabilities:			
Current and other liabilities	\$ 9,619,034	\$ 9,389,678	\$ 229,356
Long-term liabilities	-	-	-
Total liabilities	<u>9,619,034</u>	<u>9,389,678</u>	<u>229,356</u>
Net assets:			
Invested in capital assets, net of related debt	709,005	109,269	599,736
Restricted	28,170	79,963	(51,793)
Unrestricted	2,519,330	2,781,238	(261,908)
Total net assets	<u>3,256,505</u>	<u>2,970,470</u>	<u>286,035</u>
Total liabilities and net assets	<u>\$ 12,875,539</u>	<u>\$ 12,360,148</u>	<u>\$ 515,391</u>

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis December 31, 2007 and 2006

Condensed Statement of Net Assets			
Assets:	2006	2005	Net Change
Current and other assets	\$ 12,250,878	\$ 11,051,713	\$ 1,199,165
Capital assets	109,269	85,395	23,874
Total assets	\$ 12,360,147	\$ 11,137,108	\$ 1,223,039
Liabilities:			
Current and other liabilities	\$ 9,389,978	\$ 7,846,594	\$ 1,543,384
Long-term liabilities	-	-	-
Total liabilities	9,389,978	7,846,594	1,543,384
Net assets:			
Invested in capital assets, net of related debt	109,269	85,395	23,874
Restricted	79,963	129,564	(49,601)
Unrestricted	2,781,237	3,075,555	(294,318)
Total net assets	2,970,469	3,290,514	(320,045)
Total liabilities and net assets	\$ 12,360,447	\$ 11,137,108	\$ 1,223,339

Review of Statements of Revenues and Expenses and Changes in Net Assets

Revenues - Revenues increased \$4,546,640, to approximately \$10.9 million in 2007. The increase is mostly attributable to the new employee benefits pool which contributed an additional \$3,865,313 of written premium in 2007. Revenues increased \$852,299, to approximately \$6.3 million in 2006. The increase is attributable to exposure increases of existing members, rate increases, increased investment earnings, and increased participation in the Workers' Compensation Program. Workers' Compensation earned about \$2,080,000 in premium in 2007 and about \$1,600,000 in premium in 2006, an increase of 30% over 2006 and 75% over 2005. The Multiline program increased rates in 2007 for the 2007 year, part of which is intended to restore some net equity.

Condensed Statement of Revenues			
Revenues:	2007	2006	Net Change
Premiums and other considerations	\$ 13,208,070	\$ 10,191,520	\$ 3,016,550
Investment income	646,985	493,729	153,256
Realized loss on investments	24,926	7,142	17,784
Other income	31,838	208,713	(176,875)
Total revenues	\$ 13,911,819	\$ 10,901,104	\$ 3,010,715

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis December 31, 2007 and 2006

<u>Condensed Statement of Revenues</u>			
Revenues:	2006	2005	Net Change
Premiums and other considerations	\$ 10,191,520	\$ 5,869,005	\$ 4,322,515
Investment income	493,729	489,849	3,880
Realized loss on investments	7,142	(13,188)	20,330
Other income	208,713	8,800	199,913
Total revenues	\$ 10,901,104	\$ 6,354,466	\$ 4,546,638

Expenses - For 2007, the increase in administration expenses consists of \$3.8 million paid in premiums to Public Employers Health Plan (PEHP) for the new employee benefits pool. For 2007, losses and loss adjustment expenses increased in part due to claims paid for new members of the workers' compensation program. For 2006, losses and loss adjustment expenses increased in part due to claims paid through the workers' compensation program. Reinsurance expenses increased due to exposure increases in workers' compensation. Increases in administration expenses include increases in staffing and increased costs for existing staff.

<u>Condensed Statement of Expenses</u>			
Expenses:	2007	2006	Net Change
Losses and loss adjustment expenses	\$ 5,886,329	\$ 5,910,051	\$ (23,722)
Other operating expenses	7,739,455	5,311,098	2,428,357
Total expenses	\$ 13,625,784	\$ 11,221,149	\$ 2,404,635

<u>Condensed Statement of Expenses</u>			
Expenses:	2006	2005	Net Change
Losses and loss adjustment expenses	\$ 5,910,051	\$ 6,325,882	\$ (415,831)
Other operating expenses	5,311,098	1,307,535	4,003,563
Total expenses	\$ 11,221,149	\$ 7,633,417	\$ 3,587,732

Change in Net Assets - Change in net assets for 2007 was a decrease of \$320,045. Change in net assets for 2006 was a decrease of \$1,278,951. The decrease was due to increased reserve requirements.

CASH FLOW AND LIQUIDITY

Cash Flow - UCIP's primary sources of revenue are annual contributions paid by members (referred to as "premiums" in the accompanying statements) and investment income. The primary expenses are claims payments, claims adjusting expense and general administration expenses. There are no known demands for cash that will likely cause material changes in the cash flow pattern.

Liquidity - Management monitors liquidity needs through actuarial reports and review of claims settlements to limit loss of investment income potential, while assuring prompt payment of all claims and expenses. Immediate and near-term cash needs are also met using investments in the Public Treasurer's Investment Fund (PTIF). Investments in PTIF

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis
December 31, 2007 and 2006

can be liquidated without penalty on a daily basis. Assets that can be invested for a longer time period, thereby yielding a higher return, are "laddered" so that investments mature periodically to meet ongoing cash flow needs.

Expected Trends

The budget for the year 2007 was approved by the Board of Trustees and reflected no change in net assets. Total revenue was budgeted to increase 12% over 2007. This figure reflects an 11% overall increase in the multiline program and expected premium increases from a fourth year of operating the workers compensation program. Total expenses were budgeted to balance with revenues.

Board Policies and Management Practices

The UCIP Board of Trustees currently requires that audits, conducted by independent outside firms, be performed on an annual basis. The 2007 audit schedule included an actuarial loss reserve analysis, an actuarial contribution study, and a financial audit. A claims administration audit was also performed in 2007.

Opinion

The preceding Management's Discussion and Analysis provides an assessment of the financial position, results of operations, and cash flow and liquidity for the fiscal year ended December 31, 2007, as reported in the 2007 Annual Report. Representations made herein are those of management according to the best of their knowledge and belief.

This financial report is designed to provide a general overview of the Pool's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Utah Counties Insurance Pool, P.O. Box 760, Midvale, UT 84047.

Dated: March 27, 2008

UTAH COUNTIES INSURANCE POOL



Johnnie R. Miller
Chief Executive Officer

UTAH COUNTIES INSURANCE POOL

Statements of Net Assets
December 31, 2007 and 2006

ASSETS	2007	2006
Current assets:		
Cash and cash equivalents	\$ 5,326,840	\$ 2,500,235
Accounts receivable	601,820	244,659
Accrued investment income	85,821	111,727
Security deposit	3,976	3,976
Prepaid expenses	5,653	30,100
Total current assets	6,024,110	2,890,697
Investments	6,142,424	9,360,181
Capital assets , net of accumulated depreciation of \$96,779 and \$63,919, respectively	709,005	109,269
Total assets	\$ 12,875,539	\$ 12,360,147
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Reserves for losses and loss adjustment expenses	\$ 7,891,757	\$ 7,305,587
Accounts payable	1,195,811	766,438
Payroll liabilities	113	113
Compensated absences payable	23,887	63,970
Premiums paid in advance	507,440	1,253,544
Total current liabilities	9,619,008	9,389,652
Building related payables	26	26
Total liabilities	9,619,034	9,389,678
Net assets:		
Invested in capital assets	709,005	109,269
Restricted for:		
Auto	-	31,698
Building debt service	-	20,095
Building repairs and maintenance	28,170	28,170
Unrestricted	2,519,330	2,781,238
Total net assets	3,256,505	2,970,470
Total liabilities and net assets	\$ 12,875,539	\$ 12,360,147

The accompanying notes to financial statements
are an integral part of these statements.

UTAH COUNTIES INSURANCE POOL
Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating income:		
Premiums and other considerations	\$ 13,208,070	\$ 10,141,520
Investment income	646,985	543,729
Program management fees	32,198	15,767
Realized gain (loss) on investments	24,926	7,142
Miscellaneous income	-	192,946
Total income	13,912,179	10,901,104
Underwriting expenses:		
Losses and loss adjustment expenses	4,176,311	4,369,981
Reinsurance expense	1,479,423	1,359,354
Employee benefit premiums	6,169,886	3,851,153
Risk management program credit	230,595	180,716
Total underwriting expenses	12,056,215	9,761,204
Administration expenses:		
Accounting	16,989	14,064
Actuary	17,000	8,448
Auto	13,477	14,497
Bank expense	(160)	30
Board expense	84,042	56,805
Bonding	1,500	30,042
Building	71,000	57,994
Consulting	80,700	178,075
Copying	6,794	6,203
Depreciation	50,226	31,190
Dues and subscriptions	6,971	5,793
Exhibitions and sponsorships	10,554	17,000
Information technology	70,634	7,539
Insurance	11,090	6,442
Land purchase	3,271	-
Land use hotline program	3,608	6,462
Licenses & permits	663	1,416
Lobbying & legislative tracking	4,071	2,223
Loss control - training	72,799	49,490
Marketing	8	345
Miscellaneous expense	360	-
Office equipment	1,330	1,509
Office supplies	5,561	6,905
Postage	5,541	4,369
Premium credits and incentives	5,837	5,000
Premium taxes	77,799	67,946
Printing	4,785	2,948
Professional fees	9,081	15,195
Staff expenses	927,496	704,954
Telephone	8,465	8,149
TPA WC	(1,563)	148,913
Total administration expenses	1,569,929	1,459,946
Total operating expenses	13,626,144	11,221,150
Change in net assets	286,035	(320,046)
Net assets, beginning of year	2,970,470	3,290,516
Net assets, end of year	\$ 3,256,505	\$ 2,970,470

The accompanying notes to financial statements are an integral part of these statements.

UTAH COUNTIES INSURANCE POOL
Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Premiums collected	\$ 12,231,371	\$ 10,037,429
Program management fees collected	32,198	14,124
Reinsurance paid	(1,479,423)	(1,359,354)
Amounts withheld for others	(6,527,047)	(3,883,040)
Losses and loss adjustment expenses paid	(3,590,141)	(3,563,386)
Administrative expenses paid	(1,107,049)	(683,106)
Net cash provided (used) by operating activities	<u>(440,091)</u>	<u>562,667</u>
Cash flows from capital and related financing activities:		
Building security deposit	-	(3,976)
Acquisition of capital assets	(68,487)	(71,948)
Net cash used by capital and related financing activities	<u>(68,487)</u>	<u>(75,924)</u>
Cash flows from investing activities:		
Purchases of investments	(3,586,455)	(4,889,285)
Proceeds from sale of investments	6,904,636	5,041,000
Proceeds from sale of PP&E	12,000	-
Purchase of land	(592,390)	-
Interest on investments	597,392	400,009
Net cash provided by investing activities	<u>3,335,183</u>	<u>551,724</u>
Net increase in cash and cash equivalents	<u>2,826,605</u>	<u>1,038,467</u>
Cash and cash equivalents at beginning of period	<u>2,500,235</u>	<u>1,461,768</u>
Cash and cash equivalents at end of period	<u><u>\$ 5,326,840</u></u>	<u><u>\$ 2,500,235</u></u>

The accompanying notes to financial statements are an integral part of these statements.

	2007	2006
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ 286,035	\$ (320,046)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	50,226	31,190
Interest received on investments	(597,392)	(400,009)
Amortization of investments	647	2,852
Increase in equity in CRL	(76,146)	(114,048)
Realized (gain) loss on sale of investments	(24,926)	(7,142)
(Gain) loss on disposal of equipment	(1,084)	16,885
Changes in assets and liabilities:		
Increase in accounts receivable	(357,161)	(226,476)
Increase (decrease) in accrued investment income	25,907	(32,524)
Decrease in prepaid expenses	24,447	68,900
Increase in reserves for loss and loss adjustment expenses	586,170	806,595
Increase in accounts payable	429,373	656,337
Increase (decrease) in payroll liabilities	-	(11,412)
Increase (decrease) in compensated absences	(40,083)	28,804
Increase (decrease) in premiums paid in advance	(746,104)	76,626
Decrease in building related payable	-	(13,865)
Total adjustments	(726,126)	882,713
Net cash provided (used) by operating activities	\$ (440,091)	\$ 562,667

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an interlocal entity formed under section 11.13.101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the interlocal agreement that creates UCIP. The Pool started insuring workers compensation insurance effective January 1, 2004. The Pool also began an employee benefits pool on January 1, 2006. All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial statement and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Pool has prepared required supplementary information titled 'Managements' Discussion and Analysis' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the Pool has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

UTAH COUNTIES INSURANCE POOL

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates which are particularly susceptible to change related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

The Pool invests in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Premiums

Substantially all policies have a common annual renewal date of January 1. Premiums written are earned on a daily pro rata basis over the policy term.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investment in Utah Public Treasurers' Fund, money market funds, and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investment in CRL.

Investments in U.S. Government securities as of December 31, 2007 and 2006 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The investment in CRL is valued using the equity method of accounting. Under the equity method, the Pool recognizes its share in the net earnings or losses of the company as they occur rather than as dividends are received.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from 3 to 5 years. Depreciation expense for the years ended December 31, 2007 and 2006 amounted to **\$50,226** and \$31,160, respectively.

Maintenance and repairs, which do not materially extend the useful lives and minor replacements, are expensed as incurred.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2007 and 2006. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes.

Cash and cash equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$365,507** and \$1,882,255, as of December 31, 2007 and 2006, respectively. The corresponding bank balance of the deposits was **\$499,779** and \$1,938,216 as of December 31, 2007 and 2006, respectively. As of December 31, 2007 and 2006, **\$200,000** and \$100,000 of the Pool's cash on deposit was insured by the FDIC.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but is subject to the Money Management Act and Rules of the Money Management Council. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an insurer's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2007 and 2006, the Pool had amounts over FDIC insurance of **\$1,042,418** and \$558,733. As of December 31, 2007 and 2006, the Pool had amounts over SIPC insurance of **\$500,000** and \$0.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of December 31, 2007 and 2006, the Pool's cash and cash equivalents and investments included the following:

	2007	2006
Cash on deposit	\$ 381,931	\$ 602,772
Money market funds	1,891,319	1,592,796
Municipal Bonds	1,000,000	-
Utah Public Treasurer's Investment Fund - held by the Pool	2,053,590	304,667
Total cash and cash equivalents	5,326,840	2,500,235
Certificates of deposit	295,000	306,000
Investments - U.S. government securities	5,216,097	8,499,000
Equity investments	631,327	555,181
Total cash and cash equivalents and investments	\$ 11,469,264	\$ 11,860,416

Investments

The Pool records its investments in U.S. Treasuries and U.S. Agencies at amortized cost. The differences between book value and fair value as of December 31, 2007 and 2006 are as follows:

	2007				
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Certificates of deposit	\$ 295,000	\$ -	\$ 17	\$ 294,983	\$ 295,000
Government bonds	5,216,097	40,862	2,946	5,254,013	5,216,097
Equity investments	555,181	76,146	-	631,327	631,327
Total investments	\$ 6,066,278	\$ 117,008	\$ 2,963	\$ 6,180,323	\$ 6,142,424

	2006				
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Certificates of deposit	\$ 306,000	\$ -	\$ 523	\$ 305,477	\$ 306,000
Government bonds	8,499,000	30,899	108,145	8,421,754	8,499,000
Equity investments	441,119	114,048	-	555,181	555,181
Total investments	\$ 9,246,119	\$ 144,947	\$ 108,668	\$ 9,282,412	\$ 9,360,181

UTAH COUNTIES INSURANCE POOL

Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The schedule below provides information about the credit risk, interest rate risk, credit rate risk, and concentration of credit risk associated with the Pool's investments as of December 31, 2007 and 2006.

2007					
Investment type:	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
as of December 31, 2007:					
Certificates of deposit	\$ 294,983	\$ 294,983	\$ -	\$ -	\$ -
U.S. Agencies	5,254,012	2,780,706	2,473,306	-	-
Equity investment in CRL	631,327	-	-	-	631,327
Total investments	<u>\$ 6,180,323</u>	<u>\$ 3,075,689</u>	<u>\$ 2,473,306</u>	<u>\$ -</u>	<u>\$ 631,327</u>

2006					
Investment type:	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
as of December 31, 2006:					
Certificates of deposit	\$ 305,477	\$ 244,654	\$ 60,823	\$ -	\$ -
U.S. Agencies	8,421,754	7,821,712	98,500	501,542	-
Equity investment in CRL	555,181	-	-	-	555,181
Total investments	<u>\$ 9,282,412</u>	<u>\$ 8,066,366</u>	<u>\$ 159,323</u>	<u>\$ 501,542</u>	<u>\$ 555,181</u>

Interest Rate Risk

In accordance with the Pool investment policy, the Pool manages its exposure to declines in fair value by laddering the maturities of its securities.

Credit Rate Risk

It is the Pool's policy to limit its investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" (S&P) or equivalent minimum rating. The Pool's investments in bonds were rated "AAA" by Standard & Poor's and Fitch Ratings, and "Aaa" by Moody's Investors Service.

Concentration of Credit Risk

The Pool's investment policy is that investment in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20% of the total assets of UCIP's investments.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

3. INTEREST RATES

The interest rates for assets held with the Utah Public Treasurers' Investment Fund were 5.08% and 5.28% for the years ended December 31, 2007 and 2006, respectively.

4. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are:

2007				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
Land	\$ -	\$ 592,340	\$ -	\$ 592,340
Capital assets	173,188	68,537	28,282	213,443
Total Capital Assets	\$ 173,188	\$ 660,877	\$ 28,282	\$ 805,783

2007				
	Beginning Balance	Depreciation Expense	Dispositions	Ending Balance
Accumulated depreciation	\$ 63,919	\$ 50,226	\$ 17,366	\$ 96,779

2006				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
Capital assets	\$ 126,566	\$ 71,948	\$ 25,326	\$ 173,188

2006				
	Beginning Balance	Depreciation Expense	Dispositions	Ending Balance
Accumulated depreciation	\$ 41,171	\$ 31,190	\$ 8,442	\$ 63,919

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

5. RELATED PARTY TRANSACTIONS

Both the Pool and UAC had agreed that the Pool had an equity interest in the building. On September 18, 2006 UAC and the Pool signed a mutual release of the Pool's equity interest in the building for \$190,000. This amount is included in miscellaneous income for 2006 on these financial statements.

6. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

7. REINSURANCE

Effective 2003, the Pool has purchased only specific reinsurance coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Effective 2004, the Pool has purchased reinsurance for its workers compensation insurance in excess of a \$300,000 self-insured retention.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance ceded to other insurance companies. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Unsecured Reinsurance Recoverables

The Company has reinsurance recoverables in the amount of **\$475,348** and \$239,785 from its reinsurers for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium as of December 31, 2007 and 2006, respectively.

Reinsurance Recoverable in Dispute

The Company does not have any disputed balances or uncollectible funds.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

8. RETIREMENT PLAN

The retirement plan for employees of the Pool is funded by the Pool. The employees are covered under multiple-employer, public employee retirement systems administered by the State Retirement System. This plan is noncontributory and includes a 401(k) plan. The Pool contributes 9.62% and 8.54% of employee's salaries under the plans. The Pool's employees are also covered under a 457 plan for which the Pool contributes 4.3% of employee's salaries.

The total retirement expense for the Pool for the year ended December 31, 2007 and 2006 was **\$140,209** and \$101,582, respectively.

9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by approximately **(\$97,000)** and \$555,000 in 2007 and 2006, respectively, as a result of reestimation of unpaid losses and loss adjustment expenses. This change is generally the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

	<u>2007</u>	<u>2006</u>
Balance at January 1 (in thousands)	\$ 7,305	\$ 6,498
Incurred, related to:		
Current year	4,672	4,392
Prior year	<u>(1,383)</u>	<u>(97)</u>
Total incurred	3,289	4,295
Paid, related to:		
Current year	1,333	1,059
Prior year	<u>1,370</u>	<u>2,429</u>
Total paid	2,703	3,488
Balance at December 31	<u><u>\$ 7,891</u></u>	<u><u>\$ 7,305</u></u>

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

10. OPERATING LEASE COMMITMENT

Beginning February 1, 2007, the Pool entered into a three year commitment to lease their office building. The Pool paid **\$70,100** and \$57,994 in rent and maintenance expenses for the years ending December 31, 2007 and 2006, respectively.

Future minimum rental commitments for the building operating lease as of December 31, 2007 are as follows:

2008	\$ 50,491
2009	4,218
2010	-
2011	-
Total minimum lease payments	<u>\$ 54,709</u>

REQUIRED SUPPLEMENTARY INFORMATION

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UTAH COUNTIES INSURANCE POOL

Premiums and Loss Development Information

The following table compares the Pool's earned revenues net of reinsurance and investment income to related costs of losses and loss adjustment expenses, net of reinsurance, assumed by the Pool. The table is defined as follows: (1) show each year's net earned premiums, other operating revenues and interest income, (2) shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims, (3) show incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred, (4) shows the cumulative amounts paid as of the end of successive years for each accident year, (5) shows how each coverage year's incurred losses increased or decreased as of the end of the successive years: this annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims, (6) compares the latest reestimated incurred loss amounts to the amounts originally established. Pool information is only available in the format shown below for the years presented.

(in thousands)	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
(1) Earned premiums, other operating revenues and investment revenues, net of reinsurance	2,760	2,652	2,891	2,787	2,768	2,803	3,912	5,073	9,542	
(2) Unallocated expense	215	253	224	224	233	242	-	-	-	-
(3) Estimated incurred claims, both paid and accrued, end of accident year	1,558	1,530	1,580	1,715	1,905	2,304	3,495	4,334	4,245	4,672
(4) Paid (cumulative) as of:										
End of accident year	592	480	334	504	511	661	1,104	1,383	1,059	1,333
One year later	740	744	468	964	910	1,190	1,786	2,361	2,423	-
Two years later	890	931	583	1,264	1,224	1,561	2,171	3,128	-	-
Three years later	1,175	1,024	788	1,588	1,406	2,213	2,452	-	-	-
Four years later	1,276	1,302	1,049	1,715	1,567	2,432	-	-	-	-
Five years later	1,225	1,422	1,056	1,715	1,850	-	-	-	-	-
Six years later	1,308	1,495	1,063	1,715	-	-	-	-	-	-
Seven years later	1,335	1,530	1,015	-	-	-	-	-	-	-
Eight years later	1,387	1,529	-	-	-	-	-	-	-	-
Nine years later	1,396	-	-	-	-	-	-	-	-	-
(5) Reestimated incurred losses and expenses:										
End of accident year	1,558	1,530	1,581	1,714	1,905	2,304	3,495	4,334	4,245	4,672
One year later	1,558	1,531	1,183	1,923	1,574	2,178	3,524	4,448	3,732	-
Two years later	1,480	1,530	953	1,715	1,775	2,618	3,302	4,226	-	-
Three years later	1,395	1,463	972	1,715	1,850	2,624	2,808	-	-	-
Four years later	1,252	1,471	1,120	1,715	1,850	2,617	-	-	-	-
Five years later	1,309	1,530	1,079	1,715	1,850	-	-	-	-	-
Six years later	1,399	1,530	1,084	1,715	-	-	-	-	-	-
Seven years later	1,416	1,530	1,015	-	-	-	-	-	-	-
Eight years later	1,396	1,529	-	-	-	-	-	-	-	-
Nine years later	1,396	-	-	-	-	-	-	-	-	-
(6) Decrease in estimated incurred losses and expenses from end of accident year	(162)	(1)	(565)	-	(55)	313	(687)	(108)	(513)	-

SUPPLEMENTARY INFORMATION

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UTAH COUNTIES INSURANCE POOL

Statement of Net Assets

by Line of Business

December 31, 2007

ASSETS				
	Multiline	Workers Comp	Employee Benefits	Total
Current assets:				
Cash and cash equivalents	\$ 3,414,131	\$ 1,612,702	\$ 300,007	\$ 5,326,840
Accounts receivable	601,820	-	-	601,820
Accrued investment income	85,821	-	-	85,821
Prepaid expense	5,653	-	-	5,653
Other current assets	3,976	-	-	3,976
Total current assets	4,111,401	1,612,702	300,007	6,024,110
Investments	5,958,679	183,745	-	6,142,424
Capital assets, net of accumulated depreciation of \$96,779	709,005	-	-	709,005
Total assets	\$ 10,779,085	\$ 1,796,447	\$ 300,007	\$ 12,875,539
LIABILITIES AND NET ASSETS				
Current liabilities:				
Reserves for losses and loss adjustment expenses	\$ 4,871,170	\$ 3,020,587	\$ -	\$ 7,891,757
Accounts payable	1,118,013	77,798	-	1,195,811
Payroll liabilities	113	-	-	113
Compensated absences payable	23,887	-	-	23,887
Premiums paid in advance	394,757	112,683	-	507,440
Total current liabilities	6,407,940	3,211,068	-	9,619,008
Building related payables	26	-	-	26
Total liabilities	6,407,966	3,211,068	-	9,619,034
Net assets:				
Invested in capital assets	709,005	-	-	709,005
Restricted for:				
Auto	31,698	-	-	31,698
Building debt service	-	-	-	-
Building repairs and maintenance	28,170	-	-	28,170
Unrestricted	3,602,246	(1,414,621)	300,007	2,487,632
Total net assets	4,371,118	(1,414,621)	300,007	3,256,505
Total liabilities and net assets	\$ 10,779,084	\$ 1,796,447	\$ 300,007	\$ 12,875,539

UTAH COUNTIES INSURANCE POOL
Statement of Revenues, Expenses, and Changes in Net Assets
by Line of Business
For the Year Ended December 31, 2007

	Multiline	Workers Comp	Employee Benefits	Administrative	Total
Income:					
Premiums and other considerations	\$ 4,676,898	\$ 2,373,338	\$ 6,157,834	\$ -	\$ 13,208,070
Investment income	530,253	81,732	35,000	-	646,985
Program management fees	-	-	32,198	-	32,198
Realized gain on investments	24,926	-	-	-	24,926
Miscellaneous income	(360)	-	-	-	(360)
Total income	5,231,717	2,455,070	6,225,032	-	13,911,819
Underwriting expenses:					
Losses and loss adjustment expenses	2,315,072	1,861,239	-	-	4,176,311
Reinsurance expense	1,048,957	430,466	-	-	1,479,423
Employee benefit premiums	-	-	6,169,886	-	6,169,886
Risk management program credit	179,607	50,988	-	-	230,595
Total underwriting expenses	3,543,636	2,342,693	6,169,886	-	12,056,215
Administration expenses:					
Accounting	8,641	6,755	1,593	-	16,989
Actuary	8,500	8,500	-	-	17,000
Auto	-	-	-	13,477	13,477
Bank expense	-	-	-	(160)	(160)
Board expense	-	-	-	84,042	84,042
Bonding	-	1,500	-	-	1,500
Building	-	-	-	71,000	71,000
Consulting	-	-	-	80,700	80,700
Copying	-	-	-	6,794	6,794
Depreciation	-	-	-	50,226	50,226
Dues and subscriptions	-	-	-	6,971	6,971
Exhibitions and sponsorships	-	-	-	10,554	10,554
Information technology	-	-	-	70,634	70,634
Insurance	-	-	-	11,090	11,090
Land purchase	-	-	-	3,271	3,271
Land Use Hotline Program	-	-	-	3,608	3,608
Licenses & permits	-	-	-	663	663
Lobbying & legislative tracking	-	-	-	4,071	4,071
Loss control - training	-	-	-	72,799	72,799
Marketing	-	-	-	8	8
Office equipment	-	-	-	1,330	1,330
Office supplies	-	-	-	5,561	5,561
Postage	-	-	-	5,541	5,541
Premium credits and incentives	-	-	-	5,837	5,837
Premium taxes	-	77,798	-	-	77,798
Printing	-	-	-	4,785	4,785
Professional fees	-	-	-	9,081	9,081
Staff expenses	-	-	-	927,496	927,496
Telephone	-	-	-	8,466	8,466
TPA WC	-	(1,563)	-	-	(1,563)
Total administration expenses	17,141	92,990	1,593	1,457,845	1,569,569
Total operating expenses	3,560,777	2,435,683	6,171,479	1,457,845	13,625,784
Change in net assets before transfers	1,670,940	19,387	53,553	(1,457,845)	286,035
Transfers between funds	(1,391,922)	(43,455)	(22,468)	1,457,845	-
Change in net assets	279,018	(24,068)	31,085	-	286,035
Net assets, beginning of year	4,092,100	(1,390,553)	268,922	-	2,970,470
Net assets, end of year	\$ 4,371,118	\$ (1,414,621)	\$ 300,007	\$ -	\$ 3,256,505

OTHER INDEPENDENT AUDITORS' REPORTS

DRAFT

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based Upon the Audit
Performed in Accordance with Government Auditing Standards**

The Board of Directors
Utah Counties Insurance Pool

We have audited the financial statements of **Utah Counties Insurance Pool** as of and for the year ended December 31, 2007, and have issued our report thereon dated April 3, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **Utah Counties Insurance Pool** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Utah Counties Insurance Pool's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Utah Counties Insurance Pool's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Utah Counties Insurance Pool's** internal control over financial reporting.

The management of **Utah Counties Insurance Pool** is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations in internal control, errors or fraud may nevertheless

Utah Counties Insurance Pool

April 3, 2008

Page 2

occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **Utah Counties Insurance Pool's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of **Utah Counties Insurance Pool's** financial statements that is more than inconsequential will not be prevented or detected by **Utah Counties Insurance Pool's** internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **Utah Counties Insurance Pool's** internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies.

We proposed audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the entity's financial reporting process. As part of our audit, we prepared all of the accrual adjusting entries. Also, if there were differences that were material that were found during audit testing, proposed journal entries were also prepared for those differences. The management of UCIP subsequently made all of the proposed audit adjusting entries.

We noted certain matters involving internal control and its operation, which are not considered to be significant deficiencies or material weaknesses, which we have reported to the management of the **Utah Counties Insurance Pool** in a separate letter dated April 3, 2008.

This report is intended solely for the information and use of the board of directors and management of **Utah Counties Insurance Pool** and the State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

Salt Lake City, Utah
April 3, 2008

Independent Auditors' Report on State Legal Compliance

The Board of Directors
Utah Counties Insurance Pool

We have audited the financial statements of **Utah Counties Insurance Pool** as of and for the year ended December 31, 2007, and have issued our report thereon dated April 3, 2008. As part of our audit, we have audited **Utah Counties Insurance Pool's** compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2007. The Pool received no funding from major State assistance programs from the State of Utah.

Our audit also included test work on the Pool's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

- Cash management
- Purchasing requirements
- Budgetary compliance
- Special districts
- Other general issues

The management of **Utah Counties Insurance Pool** is responsible for the Pool's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Pool's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The Board of Directors
Utah Counties Insurance Pool
April 3, 2008
Page 2

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which is described in a separate management letter dated April 3, 2008. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, except as noted above, **Utah Counties Insurance Pool**, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2007.

Salt Lake City, Utah
April 3, 2008

UTAH COUNTIES INSURANCE POOL

Management Letter

December 31, 2007

DRAFT

April 3, 2008

The Board of Directors
Utah Counties Insurance Pool
Midvale, Utah

We have audited the financial statements of **Utah Counties Insurance Pool** (the Pool) for the year ended December 31, 2007, and have issued our report thereon dated April 3, 2008. As part of our audit, we made a study and evaluation of the Pool's system of internal control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and have issued our report thereon dated April 3, 2008. The purpose of this letter is to recommend certain matters which came to our attention during the course of the audit, which we believe will strengthen internal control and operating efficiency. These matters are not considered to be material weaknesses as defined in our reports on internal control referred to above. These matters, together with our recommendations, are presented below for your consideration.

Sick and Vacation Policy

During the course of our testing of the year-end vacation and sick accruals, it came to our attention that there were inconsistencies between how the sick and vacation policy was being applied to different employee situations due to lack of clarity in the written policy. Policies and procedures should be clearly explained in the company's employee manual so that conflicts such as this do not occur. It should be noted that the Pool was in the process of updating the employee manual to clarify the policy, but had not completed it as of the end of our audit fieldwork.

Employee Auto Allowances Under a "Non-Accountable" Plan

During a discussion with the audit committee, it was noted that some employees are paid a monthly auto allowance under a "non-accountable" expense reimbursement plan. The term "non-accountable", as defined by the IRS, means that the employee is not required to submit receipts or other support to be reimbursed and the amount is a set dollar amount. The term "accountable", as defined by the IRS, means that the employee is only reimbursed for the actual amount of expenses incurred for which receipts and other support are provided before the reimbursement is paid to the employee. When expense reimbursements are paid to employees under a "non-accountable" plan, the IRS requires that the expense allowance be treated as compensation to the employee and included as wages on the employees' W-2 each year. We recommend that all amounts paid to employees under a "non-accountable" plan be included in the employee's compensation. There are other acceptable methods for reimbursing employees for business miles which are: employees are reimbursed for their business mileage at the IRS standard mileage rate, or that the company establish in writing an "accountable" plan that meets the IRS requirements.

Timely Depositing of Cash Receipts

During our state legal compliance testing of cash receipts, it was noted that three checks did not have a date stamp on the check, so we were not able to determine if the checks were deposited within three days of the Pool receiving the check. There was one check noted during our testing that was deposited five days after the Pool had received it rather than the required three days or less. We recommend that special attention is paid to ensure that deposits are made timely in order to follow the state legal compliance requirements.

Signatures Required on Worker's Compensation Disbursement Checks

During our audit it was noted that all disbursements for the Worker's Compensation line of business only require one signature. We recommend that the Pool adopt a policy where two signatures are required for all disbursements over a dollar amount threshold as determined by the Pool. This will help to improve controls in this area. It should be noted that the Pool does have plans to implement this control for the Worker's Compensation disbursements.

Supporting Documentation for Cash Disbursements

During the audit process it was noted that appropriate supporting documentation was not able to be located for one disbursement that was selected for testing. To strengthen internal controls over disbursements, it is recommended that appropriate support be provided and maintained for all disbursements.

Prior Year Management Letter Points

State Legal Compliance Finding

The Pool exceeded budgeted expenditures for the year ended December 31, 2006 by approximately \$900,000. The majority of this was due to losses and loss adjustment expenses in excess of budgeted amounts. We recommended that when the Pool is adopting their budget each year they consider not only cash outlays for losses and loss adjustment expenses, but also estimate the increase that may be needed for these reserves. We also recommended that the Board consider amending its budget as needed as changes in circumstance become known throughout the year to prevent the Pool from making expenditures in excess of budget. These recommendations were followed and the Pool did not exceed budgeted expenditures for the year ended December 31, 2007.

Disaster Recovery Plan

Last year, we also recommended that the Pool consider developing, implementing and testing a disaster recovery plan. The Pool is still working on a formal documented disaster recovery plan and currently is performing a daily backup of computer systems.

This letter, by its nature, contains only our comments and recommendations observed during the course of our audit. Our comments are not to reflect the integrity or capabilities of anyone in your organization. Our interest is to help you improve the operations and controls of the Pool.

We appreciate the courteous assistance of your personnel during the course of our audit. Should you have any questions regarding the above recommendations and comments, or require assistance in their implementation, please feel free to contact us.

Sincerely,

LARSON & COMPANY, P.C.

Geri A. Douglas, CPA
Officer/Shareholder

Resolution

To Appoint a Representative to County Reinsurance, Limited

WHEREAS, Utah Counties Insurance Pool (UCIP) is a Member of County Reinsurance, Limited.

WHEREAS, the Bylaws of County Reinsurance, Limited require the governing Board of a Member to appoint a representative who shall vote on behalf of the Member at meetings and carry out other usual and customary duties of membership.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Utah Counties Insurance Pool does hereby appoint Johnnie R. Miller to represent it in all matters related to its membership in County Reinsurance, Limited. This appointment is valid until rescinded by the Board of Directors of Utah Counties Insurance Pool.

This is the 14 day of February

M. Lynn Lemon

Lynn Lemon

President, UCIP Board of Trustees

Utah Counties Insurance Pool Payments

February 15 - April 23, 2008

Type	Date	Num	Name	Memo	Split	Amount
WF-Expense						
Paycheck	2/15/2008		Anne M. Ayton	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Johnnie R. Miller	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Kathy H. Stone	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Lisa O. Brown	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Shaney M. Kelleher	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2008		Susan E. Gonce	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Anne M. Ayton	VOID: Payroll Service funds recovered	-SPLIT-	0.00
Paycheck	2/29/2008		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Johnnie R. Miller	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Kathy H. Stone	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Lisa O. Brown	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Shaney M. Kelleher	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Paycheck	2/29/2008		Susan E. Gonce	Adjusted for voided paycheck(s)	-SPLIT-	0.00
Liability Check	2/28/2008		QuickBooks Payroll Service	Direct Deposit	-SPLIT-	-16,585.34
Paycheck	2/29/2008		Brody S. Parker	Created by Payroll Service on 02/26/2008	-SPLIT-	0.00
Liability Check	2/28/2008		QuickBooks Payroll Service	Direct Deposit	-SPLIT-	-5,116.76
Liability Check	2/28/2008		QuickBooks Payroll Service	Direct Deposit Transmission Fee	WF-Expense	3.00
Liability Check	2/28/2008		QuickBooks Payroll Service	Fee for 10 direct deposit(s) at \$0.99 each	WF-Expense	9.90
Paycheck	2/29/2008		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Liability Check	2/28/2008		QuickBooks Payroll Service	Created by Payroll Service on 02/27/2008	-SPLIT-	-1,489.95
Paycheck	3/14/2008		Anne M. Ayton	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Johnnie R. Miller	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Kathy H. Stone	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Lisa O. Brown	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Shaney M. Kelleher	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Paycheck	3/14/2008		Susan E. Gonce	Direct Deposit	-SPLIT-	0.00
Liability Check	3/13/2008		QuickBooks Payroll Service	Created by Payroll Service on 03/11/2008	-SPLIT-	-16,031.05
Paycheck	3/31/2008		Anne M. Ayton	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Johnnie R. Miller	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Kathy H. Stone	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Lisa O. Brown	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Shaney M. Kelleher	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Paycheck	3/31/2008		Susan E. Gonce	Direct Deposit	-SPLIT-	0.00
Liability Check	3/28/2008		QuickBooks Payroll Service	Created by Payroll Service on 03/25/2008	-SPLIT-	-16,317.04
Paycheck	4/15/2008		Anne M. Ayton	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Johnnie R. Miller	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Kathy H. Stone	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Lisa O. Brown	Direct Deposit	-SPLIT-	0.00

Utah Counties Insurance Pool

Payments

February 15 - April 23, 2008

Type	Date	Num	Name	Memo	Split	Amount
Paycheck	4/15/2008		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Shaney M. Kelleher	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Paycheck	4/15/2008		Susan E. Gonce	Direct Deposit	-SPLIT-	0.00
Liability Check	4/14/2008		QuickBooks Payroll Service	Created by Payroll Service on 04/11/2008	-SPLIT-	-16,288.92
Liability Check	2/19/2008	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270845000959...	-SPLIT-	-7,712.88
Liability Check	2/29/2008	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270846000810...	-SPLIT-	-10,584.54
Liability Check	2/29/2008	ONLINE	Utah Retirement Systems	Unit No: 864 (February 2008)	-SPLIT-	-13,759.17
Liability Check	2/29/2008	ONLINE	Utah State Tax Commission	Confirmation Number: WT08K3429703	-SPLIT-	-2,702.38
Liability Check	2/29/2008	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-SPLIT-	-4,047.69
Liability Check	3/14/2008	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270847400623...	-SPLIT-	-6,309.22
Liability Check	3/31/2008	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270849200348...	-SPLIT-	-6,430.96
Liability Check	3/31/2008	ONLINE	Utah Retirement Systems	Unit No: 864 (March 2008)	-SPLIT-	-9,921.48
Liability Check	3/31/2008	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-SPLIT-	-2,909.96
Liability Check	3/31/2008	ONLINE	Utah State Tax Commission	Transaction Number: WT08K3X30410	-SPLIT-	-2,001.06
Liability Check	4/15/2008	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270850600385...	-SPLIT-	-6,421.22
Check	2/22/2008	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-2,303.62
Check	2/22/2008	VISA	Wells Fargo	Account Number: 4856 2002 0789 0792	-SPLIT-	-1,228.62
Check	2/22/2008	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-2,141.35
Check	3/24/2008	VISA	Wells Fargo	Account Number: 4856 2002 0858 1036	-SPLIT-	-40.94
Check	3/24/2008	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-SPLIT-	-508.01
Check	3/24/2008	VISA	Wells Fargo	Account Number: 4856 2002 0789 0792	-SPLIT-	-310.00
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-2,154.01
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-SPLIT-	-4,267.73
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0858 1036	-SPLIT-	-341.10
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-1,220.82
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-1,393.91
Check	4/23/2008	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-1,027.24
Check	2/29/2008	4438	Brody S. Parker	Expense Reimbursement	-SPLIT-	-503.90
Check	2/29/2008	4439	Electric Asset Company, LLC	Facility Management Speaker Expenses	-SPLIT-	-227.44
Check	2/29/2008	4440	PEHP-LTD	Coverage Period: February 2008	Loss Control / Training	-361.77
Check	2/29/2008	4441	Utah PRIMA Chapter	Annual Chapter Dues	-SPLIT-	-70.00
Check	2/29/2008	4442	Arthur J. Gallagher & Co.	Invoice Number: 80181	-SPLIT-	-2,940.00
Check	2/29/2008	4443	Johnnie R. Miller	Moving Expenses	-SPLIT-	-1,722.36
Check	2/29/2008	4444	Revco Leasing Company, LLC	Invoice Number: 172133	Copying Costs	-270.00
Check	2/29/2008	4445	Verizon Wireless	Invoice Number: 0631068337	Telephone	-65.66
Check	2/29/2008	4446	Zayda Internet	Invoice Number: 1017	Information Technology	-240.00
Check	2/29/2008	4447	Wayne Smith	Mileage Reimbursement	Board Expense	-272.70
Check	2/29/2008	4448	Steve White	Mileage Reimbursement	Board Expense	-70.70
Check	2/29/2008	4448	Steve White	Mileage Reimbursement	Board Expense	-70.70
Check	2/29/2008	4449	Bruce Adams	Mileage Reimbursement	Board Expense	-343.40
Check	2/29/2008	4450	James Nyland	Mileage Reimbursement	Board Expense	-251.49
Check	2/29/2008	4451	Kay Blackwell	Mileage Reimbursement	Board Expense	-204.53
Check	2/29/2008	4452	Kent Sundberg	Mileage Reimbursement	Board Expense	-70.70
Check	2/29/2008	4453	Steven Wall	Mileage Reimbursement	Board Expense	-191.90
Check	2/29/2008	4454	Ken Bischoff	Mileage Reimbursement	Board Expense	-40.00
Check	2/29/2008	4455	Karla Johnson	Mileage Reimbursement	Board Expense	-328.25
Check	2/29/2008	4456	Lynn Lemon	Mileage Reimbursement	Board Expense	-70.70
Check	2/29/2008	4457	Print2day	Invoice No. 835775	Printing	-166.82
Check	2/29/2008	4458	Office Depot	Account Number: 35538769	-SPLIT-	-71.09
Check	2/29/2008	4459	Shaney M. Kelleher	Adjusters License Reimbursement	-SPLIT-	-435.00
Check	2/29/2008	4460	Sonya J. White	Expense Reimbursement	-SPLIT-	-234.12
Liability Check	3/3/2008	4461	Utah Counties Insurance Pool	VOID: Employee Benefits - March	-SPLIT-	0.00

Utah Counties Insurance Pool Payments

February 15 - April 23, 2008

Type	Date	Num	Name	Memo	Split	Amount
Liability Check	3/3/2008	4462	Utah Counties Insurance Pool	VOID: Employee Benefits - March	-SPLIT-	0.00
Check	3/6/2008	4463	United States Treasury	87-0495792	Staff Payroll Expenses	-722.10
Check	3/6/2008	4464	ISO Services, Inc.	Invoice Number: IS00025735	Information Technology	-165.00
Check	3/6/2008	4465	Larson & Company	Invoice Number: 29148	-SPLIT-	-775.93
Check	3/6/2008	4466	Color Transfer	Invoice Number: 08-1137	Exhibiting & Sponsorship	-737.26
Check	3/6/2008	4467	Johnnie R. Miller	Moving Expenses	Staff Expenses	-123.29
Check	3/6/2008	4468	Print2day	Invoice No. 835567	Printing	-182.14
Check	3/6/2008	4469	Les Olson Company	Invoice Number: 0931136-IN	Copying Costs	-218.87
Check	3/6/2008	4470	Mountain View Software	Invoice Number: 13504	Information Technology	-186.00
Check	3/6/2008	4471	Marvelous Catering, LLC	February 28 Facilities Management Conference	Information Technology	-577.00
Liability Check	3/6/2008	4472	Utah Counties Insurance Pool	Employee Benefits - March	-SPLIT-	-13,494.32
Check	3/6/2008	4473	Shaney M. Kelleher	Expense Reimbursement	Staff Expenses	-38.58
Check	3/6/2008	4474	Office Depot	Account Number: 35538769	Office Supplies	-247.66
Check	3/6/2008	4475	Pitney Bowes Postage by Phone	Account Number: 8000-9090-0189-5759	Postage	-230.00
Check	3/6/2008	4476	AGRP	Invoice Number: 08S-01417	-SPLIT-	-6,075.00
Check	3/6/2008	4477	Hyatt Regency Phoenix	AGRP Room Block	-SPLIT-	-8,778.23
Check	3/14/2008	4478	AGRP	Advisory Standards Recognition	Board Expense	-600.00
Check	3/14/2008	4479	Arthur J. Gallagher & Co.	Invoice Number: 80536	-SPLIT-	-100.00
Check	3/14/2008	4480	UCAA	UCAA Golf Tournament 6/27/08	-SPLIT-	-180.00
Check	3/14/2008	4481	Positive Incentives	Invoice Number: 86112	Loss Control / Training	-548.36
Check	3/14/2008	4482	Ellen Springer	3/15/08 Event Insurance Overpay	TULIP	-25.00
Check	3/14/2008	4483	Carmen Delacruz	3/22/08 Event Insurance Overpay	TULIP	-25.00
Check	3/14/2008	4484	Media One of Utah	Invoice Number: 100232632-02092008	Professional Fees	-45.00
Check	3/14/2008	4485	Media One of Utah	Invoice Number: 100241618-02242008	Professional Fees	-516.59
Check	3/14/2008	4486	Qwest	Account Number: 801-565-8500 170B	Telephone	-513.26
Check	3/14/2008	4487	Verizon Wireless	Invoice Number: 0635488455	-SPLIT-	-157.47
Check	3/14/2008	4488	Pitney Bowes Postage by Phone	Account Number: 8000-9090-0189-5759	Postage	-230.00
Check	3/14/2008	4489	Ken Bischoff	Expense Reimbursement	-SPLIT-	-156.00
Check	3/14/2008	4490	Bruce Adams	Expense Reimbursement	Board Expense	-375.00
Check	3/14/2008	4491	Key Blackwell	Expense Reimbursement	Board Expense	-594.01
Check	3/14/2008	4492	Brad Dee	Expense Reimbursement	-SPLIT-	-375.00
Check	3/14/2008	4493	Karla Johnson	Expense Reimbursement	Board Expense	-375.00
Check	3/14/2008	4494	Wayne Smith	Expense Reimbursement	Board Expense	-300.00
Check	3/14/2008	4495	Steven Wall	Expense Reimbursement	Board Expense	-300.00
Check	3/14/2008	4496	Anne M. Ayton	Expense Reimbursement	Staff Expenses	-300.00
Check	3/14/2008	4497	Mark W. Brady	Expense Reimbursement	Loss Control / Training	-375.00
Check	3/14/2008	4498	Johnnie R. Miller	Expense Reimbursement	Staff Expenses	-300.00
Check	3/14/2008	4499	Sonya J. White	Expense Reimbursement	Staff Expenses	-300.00
Check	3/31/2008	4500	PEHP-LTD	Coverage Period: March 2008	Staff Medical LTD	-269.99
Check	4/9/2008	4501	Arthur J. Gallagher & Co.	Invoice Number: 80844	-SPLIT-	-39.00
Check	4/9/2008	4502	Arthur J. Gallagher & Co.	Invoice Number: 80916	TULIP	-3,860.00
Check	4/9/2008	4503	XMission	Invoice Number: 1003557	Information Technology	-144.00
Check	4/9/2008	4504	Larson & Company	Invoice Number: 30493	-SPLIT-	-15,532.76
Check	4/9/2008	4505	Les Olson Company	Invoice Number: 0940291-IN	Copying Costs	-195.94
Check	4/9/2008	4506	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2008-58	Actuarial Analysis	-2,125.00
Check	4/9/2008	4507	Johnnie R. Miller	Mileage Reimbursement	Staff Expenses	-656.50
Liability Check	4/9/2008	4508	Utah Counties Insurance Pool	Employee Benefits - April	-SPLIT-	-12,133.66
Check	4/9/2008	4509	Utah Safety Council	Invoice Number: 06196	Loss Control / Training	-50.00
Check	4/9/2008	4510	Utah Association of Counties	Sponsorship/Exhibiting	Exhibiting & Sponsorship	-255.00
Check	4/9/2008	4511	Positive Incentives	Invoice Number: 86128	Incentives	-617.09
Check	4/9/2008	4512	Tr-Tel Communications, Inc.	Invoice Number: 141563	Telephone	-118.00
Check	4/9/2008	4513	Korby M. Siggard	Expense Reimbursement	-SPLIT-	-61.07
Check	4/9/2008	4514	Professional Binding Products, Inc.	Invoice Number: PSI0100851	Office Supplies	-64.30

Utah Counties Insurance Pool

Payments

February 15 - April 23, 2008

Type	Date	Num	Name	Memo	Split	Amount
Check	4/9/2008	4515	Verizon Wireless	Invoice Number: 0639765376	Telephone	-65.66
Check	4/9/2008	4516	Revco Leasing Company, LLC	Invoice Number: 174476	Copying Costs	-270.00
Check	4/9/2008	4517	Costco Wholesale Membership	Member Number: 000111698394970	-SPLIT-	-300.00
Check	4/9/2008	4518	Qwest	Account Number: 801-565-8500 170B	Telephone	-482.63
Check	4/9/2008	4519	Office Depot	Account Number: 35538769	-SPLIT-	-269.58
Check	4/9/2008	4520	Kay Blackwell	Mileage Reimbursement	Board Expense	-202.00
Check	4/9/2008	4521	Steven Wall	Expense Reimbursement	-SPLIT-	-189.04
Check	4/9/2008	4522	Kenneth Bischoff	Mileage Reimbursement	Board Expense	-30.30
Check	4/9/2008	4523	Bruce Adams	Expense Reimbursement	-SPLIT-	-499.45
Check	4/9/2008	4524	Wayne Smith	Expense Reimbursement	Board Expense	-449.45
Check	4/15/2008	4525	Beaver County	2007 ML Best Practices Credit (23%)	Best Practices Multiline	-911.00
Check	4/15/2008	4526	Beaver County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4527	Box Elder County	2007 ML Best Practices Credit (91%)	Best Practices Multiline	-9,206.00
Check	4/15/2008	4528	Box Elder County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4529	Cache County	2007 ML Best Practices Credit (87%)	Best Practices Multiline	-10,352.00
Check	4/15/2008	4530	Cache County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4531	Carbon County	2007 ML Best Practices Credit (100%)	Best Practices Multiline	-8,785.00
Check	4/15/2008	4532	Carbon County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4533	Davis County	2007 ML Best Practices Credit (93%)	Best Practices Multiline	-22,311.00
Check	4/15/2008	4534	Davis County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4535	Emery County	2007 ML Best Practices Credit (92%)	Best Practices Multiline	-8,119.00
Check	4/15/2008	4536	Emery County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4537	Grand County	2007 ML Best Practices Credit (72%)	Best Practices Multiline	-4,218.00
Check	4/15/2008	4538	Grand County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4539	Iron County	2007 ML Best Practices Credit (52%)	Best Practices Multiline	-5,201.00
Check	4/15/2008	4540	Iron County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4541	Kane County	2007 ML Best Practices Credit (60%)	Best Practices Multiline	-2,769.00
Check	4/15/2008	4542	Kane County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4543	Millard County	2007 ML Best Practices Credit (75%)	Best Practices Multiline	-6,646.00
Check	4/15/2008	4544	Millard County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4545	San Juan County	2007 ML Best Practices Credit (100%)	Best Practices Multiline	-8,348.00
Check	4/15/2008	4546	San Juan County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4547	Sevier County	2007 ML Best Practices Credit (91%)	Best Practices Multiline	-5,083.00
Check	4/15/2008	4548	Sevier County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4549	Tooele County	2007 ML Best Practices Credit (81%)	Best Practices Multiline	-10,688.00
Check	4/15/2008	4550	Tooele County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4551	Uintah County	2007 ML Best Practices Credit (79%)	Best Practices Multiline	-9,925.00
Check	4/15/2008	4552	Uintah County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4553	Utah County	2007 ML Best Practices Credit (100%)	Best Practices Multiline	-27,838.00
Check	4/15/2008	4554	Utah County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4555	Wasatch County	2007 ML Best Practices Credit (92%)	Best Practices Multiline	-10,827.00
Check	4/15/2008	4556	Wasatch County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4557	Washington County	2007 ML Best Practices Credit (100%)	Best Practices Multiline	-15,195.00
Check	4/15/2008	4558	Washington County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4559	Weber County	2007 ML Best Practices Credit (100%)	Best Practices Multiline	-27,497.00
Check	4/15/2008	4560	Weber County	2007 Certification Credit	Best Practices Multiline	-500.00
Check	4/15/2008	4561	Christensen & Jensen	Invoice Number: 54448	1099-Nonemployee Com...	-1,551.80
Check	4/15/2008	4562	Verizon Wireless	Invoice Number: 0644216227	-SPLIT-	-152.16
Check	4/18/2008	4563	Positive Incentives	Invoice Number: 86151	Incentives	-1,378.88
Check	4/18/2008	4564	Print2day	Invoice No. 836489	Printing	-188.51
Check	4/18/2008	4565	Purchase Power	Customer ID: 19821793866	-SPLIT-	-279.99
Check	4/18/2008	4566	Strong & Hanni	Invoice No. 69108	1099-Nonemployee Com...	-1,307.80
Check	4/18/2008	4567	Kathy H. Stone	Expense Reimbursement	Staff Expenses	-43.34

Utah Counties Insurance Pool Payments

February 15 - April 23, 2008

Type	Date	Num	Name	Memo	Split	Amount
Check	4/18/2008	4568	Lisa O. Brown	Expense Reimbursement	Staff Expenses	-64.64
Check	4/18/2008	4569	Positive Incentives	Invoice Number: 86149	Exhibiting & Sponsorship	-533.11
Check	4/18/2008	4570	Utah State Board of CLE	CLE Credit April 10, 2008 Conference	Loss Control / Training	-97.50
Check	4/18/2008	4571	Pitney Bowes, Inc.	Invoice Number: 773121	Postage	-116.82
Check	4/18/2008	4572	Marvellous Catering, LLC	4/09/08 and 4/10/08	-SPLIT-	-796.00
Check	4/18/2008	4573	FCP Holdings, LLC	Commercial Lease: 6900 South 900 East, Suite 230	Building Lease	-5,653.38
Total WF-Expense						-463,982.72
WF-Work Comp Expense						
Check	3/11/2008	186	IWCF	ULC WC Conference April 8, 2008	-SPLIT-	-450.00
Check	4/9/2008	187	Mountain View Software	Invoice Number: 13523	Information Technology	-228.00
Check	4/9/2008	188	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2008-57	Actuarial Analysis WC	-2,125.00
Check	4/9/2008	189	New England Business Service, Inc.	Invoice Number: 9927507949-1	Office Supplies	-311.65
Check	4/15/2008	190	Cache County	2007 WC Best Practices Credit (83%)	Best Practices WC	-6,244.00
Check	4/15/2008	191	Carbon County	2007 WC Best Practices Credit (100%)	Best Practices WC	-7,718.00
Check	4/15/2008	192	Grand County	2007 WC Best Practices Credit (43%)	Best Practices WC	-1,110.00
Check	4/15/2008	193	Iron County	2007 WC Best Practices Credit (55%)	Best Practices WC	-3,148.00
Check	4/15/2008	194	San Juan County	2007 WC Best Practices Credit (100%)	Best Practices WC	-4,046.00
Check	4/15/2008	195	Sewer County	2007 WC Best Practices Credit (33%)	Best Practices WC	-687.00
Check	4/15/2008	196	Tooele County	2007 WC Best Practices Credit (64%)	Best Practices WC	-4,671.00
Check	4/15/2008	197	Uintah County	2007 WC Best Practices Credit (27%)	Best Practices WC	-2,076.00
Check	4/15/2008	198	Utah County	2007 WC Best Practices Credit (100%)	Best Practices WC	-13,815.00
Check	4/15/2008	199	Wasatch County	2007 WC Best Practices Credit (86%)	Best Practices WC	-5,318.00
Check	4/15/2008	200	Washington County	2007 WC Best Practices Credit (100%)	Best Practices WC	-6,267.00
Check	4/15/2008	201	Weber County	2007 WC Best Practices Credit (100%)	Best Practices WC	-21,690.00
Total WF-Work Comp Expense						-79,904.65
TOTAL						-543,887.37



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

FINANCIAL STATEMENTS

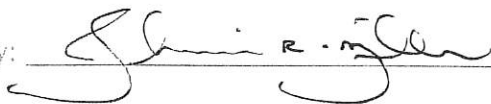
Month Ending March 31, 2008

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transaction of the Utah Counties Insurance Pool as of 3/31/08 and accompanying notes to basic financial statements.

Sonya White
Manager of Administration
801-565-8500
sonya@ucip.utah.gov

Reviewed this 16th day of APRIL, 2008

By: 

UTAH COUNTIES INSURANCE POOL

Balance Sheet

March 31, 2008 and 2007

	Accrual 2008	Cash 2008	Cash 2007
ASSETS			
Current Assets			
Cash & Cash Equivalents			
PTIF 1395	8,056,210.90	8,056,210.90	2,919,856.62
PTIF 4651	1,595,636.88	1,595,636.88	1,517,291.03
Expense	50,935.38	50,935.38	32,500.81
Claims	4,370.36	4,370.36	23,176.45
HRA	8,263.23	8,263.23	10,716.37
UBS Securities	18,503.82	18,503.82	25,996.78
WF Securities	1,744,624.96	1,744,624.96	384,399.51
EB Expense	260,559.76	260,559.76	7,021.59
WC Expense	28,655.31	28,655.31	22,433.18
WC Claims	3,401.41	3,401.41	823.42
Total Cash	11,771,162.01	11,771,162.01	4,944,215.76
Receivables			
Accounts Receivable	22,269.15	22,269.15	120,912.16
Accrued Investment Income	33,062.35	0.00	0.00
Total Receivables	55,331.50	22,269.15	120,912.16
Prepaid			
Prepaid Expenses	334,974.25	0.00	0.00
Total Prepaids	334,974.25	0.00	0.00
Investments			
Restricted CRL Capital	631,327.00	631,327.00	555,181.00
Unrestricted	2,036,488.27	2,036,488.27	7,830,381.54
Total Investments	2,667,815.27	2,667,815.27	8,385,562.54
Fixed Assets			
Capital	213,252.87	213,252.87	237,617.00
Depreciation	24,194.68	12,138.00	-13,590.00
Total Fixed	237,447.55	225,390.87	224,027.00
Total Assets	15,066,730.58	14,686,637.30	13,674,717.46
LIABILITIES			
Current Liabilities			
IBNR Reserves	4,085,979.00	4,396,622.00	3,332,818.00
Loss Reserves	3,825,469.00	3,689,678.00	3,825,469.00
ULAE Reserves	310,643.00	0.00	0.00
Unearned Premiums	1,438,157.44	0.00	0.00
Accounts Payable	818,703.97	0.00	0.00
Payroll Liabilities	0.00	0.00	0.00
Sick Leave Payable	12,679.95	12,679.95	52,866.32
Vacation Payable	10,801.31	10,801.31	14,995.11
Total Current	10,502,433.67	8,109,781.26	7,226,148.43
Equity			
Invested in Capital Assets	237,447.55	0.00	0.00
Restricted Building	28,170.00	28,170.00	249,411.08
Restricted Automobile	0.00	0.00	31,697.80
Unrestricted	4,298,679.36	6,548,686.04	6,167,460.15
Total Long Term	4,564,296.91	6,576,856.04	6,448,569.03
Total Liabilities	15,066,730.58	14,686,637.30	13,674,717.46

UTAH COUNTIES INSURANCE POOL
Multiline Budget to Actual Comparison
For the Month Ending March 31, 2008

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget	Accrual	Variance
Revenue						
Premiums Written	5,137,727.00	5,151,002.00	13,275.00	100.26%	1,287,750.50	0.26%
Best Practices Program Credit	-180,000.00	0.00	180,000.00	0.00%	0.00	-100.00%
Investment Income	510,000.00	227,638.00	-282,362.00	44.64%	56,909.50	-55.37%
Bonds	1,675,000.00	0.00	-1,675,000.00	0.00%	0.00	-100.00%
Total Revenue	7,142,727.00	5,378,640.00	-1,764,087.00	75.30%	1,344,660.00	-100.00%
Losses and Loss Expenses						
Prior Year Losses	2,112,477.00	712,181.73	-1,400,295.27	33.71%	178,045.43	-66.29%
Current Year Losses	900,000.00	192,828.41	-707,171.59	21.43%	48,207.10	-66.29%
Reinsurance	1,238,245.00	895,137.00	-343,108.00	72.29%	223,784.25	-78.57%
Total Loss Expenses	4,250,722.00	1,800,147.14	-2,450,574.86	42.35%	450,036.79	-27.71%
Administration Expenses						
Accounting	10,000.00	387.97	-9,612.03	3.88%	96.99	-100.00%
Actuarial Analysis	8,500.00	2,125.00	-6,375.00	25.00%	531.25	-75.00%
Building	1,675,000.00	3,271.14	-1,671,728.86	0.20%	817.79	-99.80%
Total Administration Expenses	1,693,500.00	2,512.97	-1,690,987.03	0.15%	1,446.03	-99.85%
Transfer to Administration Budget	1,198,505.00	299,626.25	-898,878.75	25.00%	893,177.19	-75.00%
Total Expenses and Transfers	7,142,727.00	1,802,660.11	-5,340,066.89	25.24%	1,344,660.00	-74.76%

Note:
This year is 25.00% complete

UTAH COUNTIES INSURANCE POOL
Workers' Compensation Budget to Actual Comparison
For the Month Ending March 31, 2008

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget	Accrual	Variance
Revenue						
Premiums Written	2,519,171.00	2,519,171.00	0.00	100.00%	629,792.75	0.00%
Best Practices Program Credit	-51,000.00	0.00	51,000.00	0.00%	0.00	-100.00%
Investment Income	55,000.00	13,750.00	-41,250.00	25.00%	3,437.50	-75.00%
Total Revenue	2,523,171.00	2,532,921.00	9,750.00	100.39%	633,230.25	0.39%
Losses and Loss Expenses						
Prior Years Losses	1,390,040.00	321,010.01	-1,069,029.99	23.09%	80,252.50	-76.91%
Current Year Losses	300,000.00	36,447.05	-263,552.95	12.15%	9,111.76	-87.85%
Reinsurance	445,000.00	437,094.00	-7,906.00	98.22%	109,273.50	-1.78%
Total Loss Expenses	2,135,040.00	794,551.06	-1,340,488.94	37.22%	198,637.77	-62.79%
Administration Expenses						
Accounting	7,500.00	310.37	-7,189.63	4.14%	77.59	-95.86%
Actuarial Analysis	8,500.00	2,125.00	-6,375.00	25.00%	531.25	-75.00%
Consultant	21,000.00	3,450.00	-17,550.00	16.43%	862.50	-83.57%
Self-Insurer's Tax	70,000.00	77,798.00	7,798.00	111.14%	20,644.50	11.14%
Total Administration	107,000.00	83,683.37	-23,316.63	78.21%	22,115.84	-21.79%
Transfer to Administration Budget	281,131.00	70,282.75	-210,848.25	25.00%	17,570.69	-75.00%
Total Expenses and Transfers	2,523,171.00	948,517.18	-1,574,653.82	37.59%	-166,011.00	-62.41%

Note:

This year is 25.00% complete

UTAH COUNTIES INSURANCE POOL
Employee Benefits Budget to Actual Comparison
For the Month Ending March 31, 2008

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget	Accrual	Variance
Revenue						
Premiums Written	6,815,945.00	2,579,193.51	-4,236,751.49	37.84%	644,798.38	-62.16%
Program Management Fees	50,000.00	6,349.74	-43,650.26	12.70%	1,587.44	-87.30%
Investment Income	35,000.00	8,750.00	-26,250.00	25.00%	2,187.50	-75.00%
Total Revenue	<u>6,900,945.00</u>	<u>2,594,293.25</u>	<u>-4,306,651.75</u>	<u>37.59%</u>	<u>648,573.31</u>	<u>-62.41%</u>
Expenses						
Accounting	2,000.00	0.00	-2,000.00	0.00%	0.00	-100.00%
Audit	2,000.00	77.59	-1,922.41	3.88%	19.40	-96.12%
Premiums Paid to OptiCare	50,500.00	13,071.14	-37,428.86	25.88%	3,267.79	-74.12%
Premiums Paid to PEHP	6,752,000.00	803,545.37	-5,948,454.63	11.90%	200,886.34	-88.10%
Total Expenses	<u>6,806,500.00</u>	<u>816,694.10</u>	<u>-5,989,805.90</u>	<u>12.00%</u>	<u>204,173.53</u>	<u>-88.00%</u>
Transfer to Administration Budget	<u>94,445.00</u>	<u>23,611.25</u>	<u>-70,833.75</u>	<u>25.00%</u>	<u>5,902.81</u>	<u>-75.00%</u>
Total Expenses and Transfers	<u>6,900,945.00</u>	<u>840,305.35</u>	<u>-6,060,639.65</u>	<u>12.18%</u>	<u>210,076.34</u>	<u>-87.82%</u>

Note:
This year is 25.00% complete

UTAH COUNTIES INSURANCE POOL
Administration Budget to Actual Comparison
For the Month Ending March 31, 2008

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget	Accrual	Variance
Transfers						
Employee Benefits	94,445.00	23,611.25	-70,833.75	25.00%	5,902.81	-75.00%
Multiline	1,198,505.00	299,626.25	-898,878.75	25.00%	74,906.56	-75.00%
Workers' Compensation	281,131.00	70,282.75	-210,848.25	25.00%	17,570.69	-75.00%
Total Transfers	1,574,081.00	393,520.25	-1,180,560.75	25.00%	98,380.06	-75.00%
Administration Expenses						
Automobile Expense	40,000.00	2,228.45	-37,771.55	5.57%	557.11	-94.43%
Bank Charges	300.00	0.00	-300.00	0.00%	0.00	0.00%
Board Expense	75,000.00	18,093.33	-56,906.67	24.12%	4,523.33	-75.88%
Building Debt Service	62,000.00	0.00	-62,000.00	0.00%	0.00	-100.00%
Building Lease	70,000.00	11,306.76	-58,693.24	16.15%	2,826.69	-83.85%
Copying Costs	6,500.00	1,518.77	-4,981.23	23.37%	379.69	-76.63%
Depreciation	75,000.00	12,138.00	-62,862.00	16.18%	3,034.50	-83.82%
Dues / Subscriptions	6,500.00	1,652.70	-4,847.30	25.43%	413.18	-74.57%
Exhibiting & Sponsorship	10,000.00	3,159.76	-6,840.24	31.60%	789.94	-68.40%
Fees & Licensing	1,000.00	3.00	-997.00	0.30%	0.75	-99.70%
Incentives	5,000.00	231.82	-4,768.18	4.64%	57.96	-95.36%
Information Technology	40,000.00	13,965.35	-26,034.65	34.91%	3,491.34	-65.09%
Land Use Hotline	10,000.00	0.00	-10,000.00	0.00%	0.00	-100.00%
Lobbying & Legislative Tracking	10,000.00	0.00	-10,000.00	0.00%	0.00	-100.00%
Loss Control / Training	70,000.00	7,069.50	-62,930.50	10.10%	1,767.38	-89.90%
Office Equipment	7,000.00	570.11	-6,429.89	8.14%	142.53	-91.86%
Office Insurance	8,000.00	7,666.00	-334.00	95.83%	1,916.50	-4.18%
Office Supplies	7,500.00	1,366.00	-6,134.00	18.21%	341.50	-81.79%
Policy Placement	25,000.00	25,000.00	0.00	100.00%	6,250.00	0.00%
Postage	5,000.00	1,246.64	-3,753.36	24.93%	311.66	-75.07%
Printing	5,000.00	533.83	-4,466.17	10.68%	133.46	-89.32%
Professional Fees	65,000.00	2,715.91	-62,284.09	4.18%	678.98	-95.82%
Staff Expenses	45,000.00	12,904.49	-32,095.51	28.68%	3,226.12	-71.32%
Staff Medical Dental Vision	145,000.00	34,997.81	-110,002.19	24.14%	8,749.45	-75.86%
Staff Medical HRA	7,400.00	3,083.64	-4,316.36	41.67%	770.91	-58.33%
Staff Medical LTD	3,600.00	877.09	-2,722.91	24.36%	219.27	-75.64%
Staff Payroll Expenses	44,102.00	14,944.72	-29,157.28	33.89%	3,736.18	-66.11%
Staff Retirement	141,184.00	35,756.37	-105,427.63	25.33%	8,939.09	-74.67%
Staff Salaries	576,495.00	146,529.64	-429,965.36	25.42%	36,632.41	-74.58%
Telephone	7,500.00	2,089.01	-5,410.99	27.85%	522.25	-72.15%
Total Administration	1,574,081.00	361,648.70	-1,212,432.30	22.98%	90,412.18	-77.02%

Note:

This year is 25.00% complete

UTAH COUNTIES INSURANCE POOL

Notes to Basic Financial Statements

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

Investments

Investments are comprised of various U.S. Government securities. Investments in U.S. Government securities for March 31, 2008 and 2007 consisted of held-to-maturity securities.

Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investment in County Reinsurance, Limited (CRL) is valued using the equity method of accounting. Under the equity method, the Pool recognizes its share in the net earnings or losses of the company as they occur rather than as dividends are received.

Restricted Investments

The Utah Labor Commission, Division of Industrial Accidents, has required the Pool to post and maintain a restricted account in the amount of \$1,500,000 with the Public Treasurers' Investment Fund (PTIF). This account would be used by the Division in the event of a default by the Pool on its Workers' Compensation program obligations. Investment earnings on the account accrues to the Pool.

The investment that is restricted for CRL is equity in CRL that the Pool may not access until it has been a member of CRL for at least five years. The Pool's membership in CRL began January 1, 2004. The equity is capital that CRL is required to maintain under Vermont law.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years.

Maintenance and repairs, which do not materially extend the useful lives and minor replacements, are expensed as incurred.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable. The amounts accrued as of March 31, 2008 and 2007 was **\$23,481.26** and **\$52,866.32**, respectively.

Investments in Utah Public Treasurers' Investment Fund (PTIF)

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but is subject to the Money Management Act and Rules of the Money Management Council. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an insurer's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer. The investment in PTIF totaled **\$8,056,210.90** and **\$2,919,856.62** as of March 31, 2008 and 2007, respectively.

The Pool maintains a restricted account at PTIF in the amount of \$1,500,000 in favor of the Utah Labor Commission, Division of Industrial Accidents, which requires the account as a condition of self-funding the Pool's Workers' Compensation Program. The account would be used by the Division in the event of a default by the Pool on its Workers' Compensation obligations.

Reinsurance

The Pool has purchased specific and aggregate reinsurance coverage. The agreements provide for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention up to an aggregate loss limit. The Pool has purchased reinsurance to protect against losses above these limits.

Effective 2003, the Pool has purchased only specific reinsurance coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance ceded to other insurance companies. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Pool's policyholder surplus.

Reinsurance Recoverable in Dispute

The Company does not have any disputed balances or uncollectible funds.

Statutory Limits – Workers' Compensation

Effective 2004, the Pool reinsures Workers' Compensation to statutory limits above its \$400,000 self-insured retention. County Reinsurance, Limited (CRL) provides a layer of coverage \$2,100,000 excess of \$400,000 self-insured retention. Safety National provides excess insurance to statutory limits above the \$2,500,000 provided by CRL.

Contingencies

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

Investments

The carrying amounts of investments and their fair values at March 31, 2008 and 2007 were as follows:

	2008			
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government Bonds	\$ 2,036,488	\$ 37,865	\$ -	\$ 2,074,354
Restricted Equity Investment	\$ 504,323	\$ 127,004	\$ -	\$ 631,327
Total Investments	\$ 2,540,811	\$ 164,869	\$ -	\$ 2,705,681

	2007			
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government Bonds	\$ 5,901,033	\$ 21,023	\$ (72,300)	\$ 5,849,757
Restricted Equity Investment	\$ 555,181	\$ -	\$ -	\$ 555,181
Total Investments	\$ 6,456,214	\$ 21,023	\$ (72,300)	\$ 6,404,938

UTAH COUNTIES INSURANCE POOL

Chief Executive Officer's Report

April 18, 2008

Status of Strategic Plan Items

Legislative- Pursue replacement of Governor of official Protection and Advocacy System for advocacy of mental health patients. - Need direction from the Board on what the intent of this item is, and how UCIP should be approaching the Governor's office on this item (should I be coordinating with UAC?).

Building- Have plans prepared for new building by July 1, 2008. - As discussed at the last meeting of the Board, the States construction project for 700 East has presented several questions and unknowns regarding the costs and design of the building. This coupled with the disappointing response to our RFP for Architectural Services leads me to make the recommendation that we close the current RFP process and wait until the State has finished the design phase of the road project before we consider publishing a new RFP. In the meantime, our current lease will expire on February 1, 2009, so we will need to consider options for space through such time as we would occupy our new building.

Option #1 – If we intend to move forward with the building project as soon as possible, I would recommend negotiating best terms to extend our current lease in the space we currently occupy until late 2010.

Option #2 – If we decide to postpone the building project indefinitely (to wait for the market and economy to stabilize) we may be able to negotiate a lease of a larger suite in the building we currently occupy at a SF rate below what we currently pay. The longer the term of the lease, the better the lease rate.

Option #3 – If we decide to postpone the building project indefinitely, the market is such that other space may be available in the Sandy/Draper area that is more suitable and cost effective than the building we are currently in. (I have enclosed information on the Western Ag Credit building as an example of what the market has to offer currently.

Internet Training – Develop internet training pilot. Report to Board by June 30, 2008.-

We have identified vendors that can provide internet training services on a pilot and long term basis. Once Safety Specialist position has been filled, we will release RFP for a pilot program.

Benefit Program - Explore high-deductible health plan with wellness component. –

We have not seen the high deductible plan as a priority of the current members of the Benefits program. The larger concern has been creating a separate UCIP member pool within PEHP to develop surplus which should eventually lead to lower and more stable rates. Our contract with PEHP called for this pool to be in place 1-1 2006, but PEHP did not follow through with this, stating that the choice not to do so was a mutual agreement (there were no amendments made to the contract to delay implementation of the UCIP pool). Had the UCIP pool been implemented in 2006 on schedule, we would now have

over \$1.5mm of surplus in the pool. Approximately \$1mm of surplus was developed in 2007 alone. All indications are we continue to develop surplus at the rate of \$1mm /year. PEHP's rules say the surplus developed by UCIP members must be retained by the LGRP pool, and cannot be transferred into the UCIP pool. Because the ULGIT dropped their plan with PEHP, there is no longer a benchmark to gauge rates on for our members. The administration fee PEHP pays UCIP for services provided that PEHP would otherwise provide as part of their rate, has apparently been added into the 2007 and 2008 rates for our members, leaving them in a position where they pay a higher rate to purchase PEHP benefits through UCIP than if they purchase them as individual members.

Recommendation – Based on discussion and recommendation of the steering committee of the benefits members, I would like to negotiate a new contract with PEHP based on the following points:

1. **A separate UCIP pool would be implemented no later than 1-1-2009.**
2. **Surplus developed between now and the end of 2008 would be transferred into the UCIP Pool.**
3. **Any requirement for capital reserves would be waived by PEHP, with UCIP agreeing to pay premiums in advance rather than in arrears.**
4. **Any service fees paid to UCIP for providing services customarily provided by PEHP would not be included in rates, and any amounts included in the 2007 and 2008 rates be refunded.**
5. **PEHP would guarantee that rates for the UCIP pool would be a specified percentage less than rates offered by PEHP to individual counties that would be included in the LGRP.**
6. **Reserve deficiencies up to \$1.5mm in the new UCIP pool for the initial 24 months would be covered by the surplus lost to the LGRP, to be paid back to the LGRP without interest.**

The benefits members are concerned that these issues be dealt with prior to the next renewal on 1-1-2009, and have asked that management have terms negotiated with PEHP by May 15, 2008.

Volunteer Policy- Develop Policies and Procedures for volunteers by June 30, 2008. –

We have identified several sample policies from other pools, and will be rewriting a model policy once the Safety Specialist has been hired.

Governance- Evaluate four-year terms for Trustees - This item, along with several other governance issues will be addressed at the Board retreat meeting.

Other Current Priority Issues

Investments – With the volatile investment market, we have been watching the performance of our different investment options very closely. During this process it came to our attention that during 2007 Rob Rich of Wachovia investments became an independent agent (Rich Wealth Management) of Wachovia. In addition, because Mr. Rich did not make any new investments for us in 2007, he was taken off the list of approved brokers with the Utah Investors Commission. The Audit Committee directed management at their meeting of March 6, 2008 to notify Mr. Rich that we would not be

able to utilize his services until he came into compliance with the requirements of our Investment Policy.

Financial Audit and Statements – I presented the Board with draft summary financial statements at their last meeting, and the Board asked that we continue to provide financials based on the model, and to also remove the administration column in the financials by charging all expenses to the Multi-line, WC or Benefits programs. We continue to work out these changes with the auditors, and will provide sample financial statements to the Board at their retreat meeting.

Training – Since the last Board Meeting staff coordinated three separate training workshops (Facilities Maintenance, Planning and Zoning and Insurance Coordinators). Attendance and reviews of all three of these workshops was very positive. Staff has planned the next workshop, Personnel Managers training, for May 15 & 16 in Washington County.

Appraisal – We completed negotiations and execution of a contract with RCI Appraisal Services per our RFP process. We have met with RCI representatives, and will be coordinating their scheduling of field appraisals to approximately 1/3rd of our members this summer. Results of the appraisals will be provided to the Board as part of the 2009 renewal process.

Board/Staff Education – Several Board members and staff attended the AGRiP Spring Conference in Phoenix, AZ. I thought the conference was very good, providing some valuable information on items we are currently working on including targeting surplus needs, actuarial analysis, governing documents, coverage documents and health industry needs. In addition to the conference sessions I took advantage of the conference to meet with the CRL members and management and John Chino of Gallagher. UCIP received recognition at the conference for compliance with the AGRiP Advisory Standards. Future Board Education opportunities include the AGRiP Fall Conference – New Orleans (Sunday October 26 to Wednesday, October 29)

JRM/jrm

